

Mr. ALDRICH. That has nothing whatever to do with this question. The Senate committee reported an amendment in another place; I forget the number now.

Mr. BACON. Which has that effect?

Mr. ALDRICH. Which had that effect. But it has been modified by the committee. It applies only to packages containing dutiable goods. It has been or will be modified when the paragraph is reached.

Mr. BACON. But this paragraph 135—

Mr. ALDRICH. Has no reference to it.

Mr. BACON. It does not in its terms embrace that?

Mr. ALDRICH. It does not.

Mr. BACON. I will state to the Senator that from a rather general reading of it, I think it might be so construed. That is the reason why I made the inquiry.

Mr. ALDRICH. That is the law. It has been in effect ever since 1890.

Mr. BACON. I understand that. I wanted to know whether it could be so construed.

Mr. ALDRICH. The paragraph the Senator refers to is paragraph 192, on page 67.

Mr. BACON. In order that we may have the direct information, I understand the Senator to say that that paragraph can not be construed so as to include that class of duty?

Mr. ALDRICH. It certainly can not.

Mr. BACON. Very well.

Mr. TILLMAN. I want to say to the Senator from Rhode Island that, in my judgment, this rushing to push the bill along and pass over every paragraph that is jolted does not make any real progress. We have been here now for over six hours. There has been a good deal of mental strain on some people, though not with me. I am ready to rush this matter. I made an appeal the other day, and I appeal now to the Senator to let us adjourn; and if he wants to start at 10 o'clock on Monday and work us until dark, I will not object.

Mr. ALDRICH. I was about to give notice that I would tomorrow morning at the meeting of the Senate move that on and after Monday the Senate shall meet at 10 o'clock. Perhaps I may as well make the motion now. I move that the hour of the daily meetings of the Senate on and after Monday shall be 10 o'clock.

The VICE-PRESIDENT. The Senator from Rhode Island moves that on and after Monday, the 17th instant, the Senate shall meet daily at 10 o'clock a. m.

The motion was agreed to.

Mr. TILLMAN (to Mr. ALDRICH). Can you not now move to adjourn over until Monday?

Mr. ALDRICH. Oh, no; I can not do that. I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 12 minutes p. m.) the Senate adjourned until to-morrow, Saturday, May 15, 1909, at 11 o'clock a. m.

SENATE.

SATURDAY, May 15, 1909.

The Senate met at 11 o'clock a. m.

Prayer by Rev. Ulysses G. B. Pierce, of the city of Washington. The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented a petition of the Association of Credit Men of Pittsburg, Pa., praying for the creation of a permanent tariff commission, which was ordered to lie on the table.

Mr. BRIGGS presented a petition of the Board of Trade of Hoboken, N. J., praying for the creation of a permanent tariff commission, which was ordered to lie on the table.

Mr. BURROWS presented petitions of sundry citizens of River Rouge, Detroit, Grand Rapids, and Alton, all in the State of Michigan, praying for a reduction of the duty on raw and refined sugars, which were referred to the Committee on Finance.

Mr. CURTIS presented petitions of sundry citizens of Traer, Topeka, and Iola, all in the State of Kansas, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

Mr. HEYBURN presented a paper to accompany the bill (S. 838) granting an additional pension to soldiers who were confined in confederate prisons during the war of the rebellion, which was referred to the Committee on Pensions.

He also presented an affidavit to accompany the bill (S. 15) to amend the military record of Jonas O. Johnson, which was referred to the Committee on Military Affairs.

Mr. DEFEW presented a petition of Local Union No. 113, International Brotherhood of Stationary Firemen, of Palmer, N. Y.,

praying for the enactment of legislation to license firemen, stokers, or water tenders in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of Horseshoe Lodge, No. 250, Brotherhood of Railroad Trainmen, of Rensselaer, N. Y., praying for the passage of the so-called "Borah-Dawson full-crew bill," which was referred to the Committee on Interstate Commerce.

He also presented a petition of the New York State League of Cooperative Savings and Loan Associations, praying for a reduction of the duty on materials entering into the construction of dwelling houses, which was ordered to lie on the table.

He also presented a petition of the Steel Founders' Society of America, of New York City, N. Y., praying for a reduction of the proposed duty on ferrosilicon, which was ordered to lie on the table.

Mr. DANIEL presented petitions of Mrs. G. O. Stevenson, of Swetnam; J. T. Malony, of Swetnam; Robert Cunningham, of Fairfax; F. G. Ford, of Swetnam; C. F. Brewer, M. D., of Catharpin; E. R. Swetnam, of Swetnam; J. M. Harrison, of Swetnam; E. H. Munn, of Swetnam; William Sheppard, of Front Royal; Ramsey & Frenang, of Front Royal; S. R. Wilkinson, of Front Royal; Reeve & Co., of Front Royal; W. E. Lake & Son, of Front Royal; J. H. King, of Front Royal; J. F. Forsythe & Co., of Front Royal; G. W. Amiss & Son, of Front Royal; B. C. Atwood, of Front Royal; Compton & Co., of Front Royal; W. C. Weaver & Co., of Front Royal; Roy Collins, of Front Royal; Mck. Willes & Co., of Front Royal; T. S. Duncan, of Front Royal; W. W. Pettit, of Front Royal; J. H. Anderson, of Front Royal; R. H. Jackson & Son, of Front Royal; A. Brinkley & Co., of Norfolk; T. H. Self, of Martinsville; W. B. Ben-nand, of Martinsville; Davis & Davis, of Martinsville; T. W. Carter, of Martinsville; J. W. Booker & Co., of Martinsville; J. P. Harptel, of Martinsville; James Cheslin & Son, of Martinsville; N. F. Burge & Son, of Martinsville; C. P. Keerfott, of Martinsville; J. E. L. Bohman, 214 Maple avenue, Berkeley; T. J. Cocke, of Whittles Depot; A. V. Cocke, of Whittles Depot; A. G. Cocke, of Whittles Depot; W. H. H. Cocke, of Whittles Depot; W. H. H. Cocke, jr., of Whittles Depot; J. M. Grim, of New Market; L. J. Hidermaier, of Abingdon; John D. Cosby, of Abingdon; Josie Clarke Sandoe, of Abingdon; E. C. Hamilton, of Abingdon; G. N. Wertz, of Abingdon; George E. Worden, of Abingdon; Maj. D. A. Jones, of Abingdon; W. Y. Hagy, of Abingdon; John W. Neal, of Abingdon; T. H. Crabtree, of Abingdon; C. O. Wickam, of Alleghany Spring; C. A. Wickham, of Alleghany Spring; D. L. Cole, of Simpsons; J. A. Black, of Otey; V. T. Connor, of Copper Hill; Carl Black, of Alleghany Spring; W. T. Showalter, of Otey; N. W. Hoback, of Alleghany Spring; H. C. Clim, of Front Royal; A. D. Long, of Front Royal; Front Royal-Riverton Board of Trade, of Front Royal; J. E. Pleasant, of Virgilina; C. A. Whitfield, of Virgilina; B. L. Lawson, of Virgilina; F. H. Little, of Virgilina; W. A. Morris, of Virgilina; Retail Grocers' Association, of Richmond; W. E. Hazelgrove, of Richmond; W. C. Shepperd, of Otey; J. W. Boothe, of Otey; Virginia Seed and Feed Company, of Lynchburg; M. B. Kemp, of Cash; G. D. Fitzhugh, of Cash; O. B. Bland, of Cash; F. E. Duval, of Cash; H. G. Losee, of Cash; W. L. Meredith, of Cash; H. H. Roane & Son, of Cash; H. H. Roane, of Cash; J. A. Jordon, of Goods Mills; W. L. Roane, of Freeport; M. T. Meyerhoffer, of Port Republic; Joe Greyer, of Port Republic; J. E. Meyerhoffer, of Port Republic; Ed Kennedy, of Penn Laird; Ben Meyerhoffer, of Penn Laird; M. M. Parrish, of Richmond; Roper & Co., of Petersburg; Robinson, Tate & Co., Lynchburg; Lynchburg Grocery Company, of Lynchburg; B. A. Nunnally, of Manchester; H. P. Harrison, Company (Incorporated), of Petersburg; J. S. Shoemaker, of Singer Glen; B. B. May, of Linville; S. Henton Swank, of Singer Glen; C. B. Fadely, of Singer Glen; S. W. Brewer, of Singer Glen; J. P. Hoover, of Singer Glen; D. M. Hollar, of Singer Glen; M. T. Whezel, of Singer Glen; A. C. Byers, of Lacy Spring; J. J. Cole, of Lacy Spring; C. J. Sangane, of Lacy Spring; Bettie Harrison, of Lacy Spring; M. T. Morris, of Lacy Spring; A. S. White, of Lacy Spring; T. A. Moore, of Harrisonburg; Michael Summers, of Lacy Spring; and C. H. Allebaugh, of Harrisonburg; all in the State of Virginia; E. A. Karnes and R. A. Shrewsbury, of Spanishburg, W. Va.; William Hodges Mann, jr., of New York City; and H. B. Tuntit, 950 Louisiana avenue, Washington, D. C.; praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PERKINS:

A bill (S. 2366) to authorize the Secretary of the Treasury to designate subports of entry or delivery in the various cus-

toms districts within the United States; to the Committee on Commerce.

By Mr. OLIVER:

A bill (S. 2367) for the relief of David A. McDonald (with an accompanying paper); to the Committee on Claims.

By Mr. McCUMBER:

A bill (S. 2368) to pay Irvine Church for services rendered the United States as examiner of Chippewa Indian lands; and

A bill (S. 2369) for the relief of Francis B. Jones; to the Committee on Claims.

A bill (S. 2370) granting an increase of pension to John O. Donnell;

A bill (S. 2371) granting an increase of pension to Anson H. Gallup;

A bill (S. 2372) granting an increase of pension to James K. Tuft;

A bill (S. 2373) granting an increase of pension to Thomas P. Connelly;

A bill (S. 2374) granting an increase of pension to Alfred J. Henry (with an accompanying paper);

A bill (S. 2375) granting an increase of pension to Alfred Larkins (with the accompanying papers);

A bill (S. 2376) granting an increase of pension to Thomas G. Anderson (with an accompanying paper);

A bill (S. 2377) granting an increase of pension to Joseph Luckman (with the accompanying papers);

A bill (S. 2378) granting an increase of pension to George C. W. Langworthy (with the accompanying papers);

A bill (S. 2379) granting an increase of pension to Henry A. Johnson (with the accompanying papers);

A bill (S. 2380) granting an increase of pension to Marcus M. Chatfield (with the accompanying papers);

A bill (S. 2381) granting an increase of pension to James Kenyon (with an accompanying paper);

A bill (S. 2382) granting an increase of pension to Elijah H. Bean (with an accompanying paper);

A bill (S. 2383) granting an increase of pension to George Auld (with the accompanying papers);

A bill (S. 2384) granting an increase of pension to Thomas Kerr (with the accompanying papers); and

A bill (S. 2385) granting an increase of pension to Thomas Uttley (with the accompanying papers); to the Committee on Pensions.

By Mr. CURTIS:

A bill (S. 2386) granting an increase of pension to Abbie B. Cloud (with an accompanying paper);

A bill (S. 2387) granting an increase of pension to David Detty (with the accompanying papers);

A bill (S. 2388) granting an increase of pension to James Clark (with the accompanying papers);

A bill (S. 2389) granting an increase of pension to William Callis;

A bill (S. 2390) granting an increase of pension to W. H. Ruckle;

A bill (S. 2391) granting an increase of pension to Almon Sparling;

A bill (S. 2392) granting an increase of pension to A. R. Williams;

A bill (S. 2393) granting an increase of pension to William Smith;

A bill (S. 2394) granting an increase of pension to S. R. Cook; and

A bill (S. 2395) granting an increase of pension to Robert L. Thompson; to the Committee on Pensions.

A bill (S. 2396) for the relief of Green Edmonson;

A bill (S. 2397) for the relief of William Martinson;

A bill (S. 2398) for the relief of Franklin Bannon;

A bill (S. 2399) for the relief of James Carroll, alias James Clingen;

A bill (S. 2400) for the relief of William T. Grady;

A bill (S. 2401) for the relief of Henry C. Smith;

A bill (S. 2402) for the relief of William Harshberger;

A bill (S. 2403) for the relief of Samuel Liverpool;

A bill (S. 2404) for the relief of James S. Risley;

A bill (S. 2405) for the relief of Andrew Jackson;

A bill (S. 2406) for the relief of Stephen Murphy;

A bill (S. 2407) for the relief of James Chard;

A bill (S. 2408) for the relief of James Barrett;

A bill (S. 2409) for the relief of Daniel G. Cormack;

A bill (S. 2410) for the relief of A. R. Williams;

A bill (S. 2411) for the relief of Cumberland Smith;

A bill (S. 2412) for the relief of Daniel W. Boutwell;

A bill (S. 2413) for the relief of William Davis;

A bill (S. 2414) for the relief of Gustav A. Hesselberger;

A bill (S. 2415) for the relief of Joseph P. Tyler;

A bill (S. 2416) for the relief of Samuel D. Jarman;

A bill (S. 2417) for the relief of John Mitchell; and

A bill (S. 2418) for the relief of Thomas H. Barrett; to the Committee on Military Affairs.

A bill (S. 2419) for the relief of C. E. Moore;

A bill (S. 2420) for the relief of David H. Lewis; and

A bill (S. 2421) for the relief of W. H. De Long; to the Committee on Post-Offices and Post-Roads.

A bill (S. 2422) for the relief of William H. Sparrow (with the accompanying papers);

A bill (S. 2423) for the relief of registers and former registers of the United States land offices (with the accompanying papers);

A bill (S. 2424) for the relief of Edward Duffin (with the accompanying papers);

A bill (S. 2425) for the relief of Mrs. William C. O'Brien (with the accompanying papers);

A bill (S. 2426) for the relief of Daniel M. Frost; and

A bill (S. 2427) for the relief of Daniel W. Boutwell; to the Committee on Claims.

A bill (S. 2428) for the erection of a monument to the memory of Brig. Gen. James Shields in St. Mary's Cemetery, Carrollton, Mo.; to the Committee on the Library.

A bill (S. 2429) for the relief of the estate of James Mitchell, deceased; to the Committee on Finance.

A bill (S. 2430) for the relief of the heirs of John W. West, deceased; to the Committee on Indian Affairs.

By Mr. PAYNTER:

A bill (S. 2431) for the relief of the estate of John Wesley Eubanks, deceased; and

A bill (S. 2432) to carry into effect the findings of the Court of Claims in the claim of Irene E. Johnson, administratrix of the estate of Leo L. Johnson, deceased; to the Committee on Claims.

By Mr. HEYBURN:

A bill (S. 2433) to authorize the Idaho and Washington Northern Railroad to construct a bridge across the Pend D'Oreille River in the State of Washington; to the Committee on Commerce.

By Mr. DANIEL:

A bill (S. 2434) for the relief of the heirs of Samuel Tucker, deceased (with the accompanying papers); to the Committee on Claims.

AMENDMENTS TO THE TARIFF BILL.

Mr. BURTON submitted an amendment intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

Mr. BRADLEY submitted an amendment intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was ordered to lie on the table and be printed.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the calendar will be taken up.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. BURROWS. Mr. President, evidently there is not a quorum present.

The VICE-PRESIDENT. The Senator from Michigan suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Culberson	Heyburn	Piles
Bankhead	Cullom	Hughes	Rayner
Beveridge	Cummins	Johnston, Ala.	Root
Borah	Curtis	Jones	Scott
Bradley	Dick	Kean	Smith, Mich.
Briggs	Dolliver	La Follette	Smith, S. C.
Bristow	du Pont	Lodge	Smoot
Brown	Fletcher	McCumber	Stephenson
Burkett	Foster	Martin	Stone
Burnham	Frazier	Money	Sutherland
Burrows	Frye	Nelson	Taylor
Burton	Gallinger	Oliver	Tillman
Chamberlain	Gamble	Overman	Warner
Clapp	Gore	Page	Warren
Clark, Wyo.	Guggenheim	Penrose	Wetmore
Clay	Hale	Perkins	

The VICE-PRESIDENT. Sixty-three Senators have answered to their names. A quorum of the Senate is present.

Mr. RAYNER. My colleague [Mr. SMITH of Maryland], who is paired with the junior Senator from Massachusetts [Mr. CRANE], is necessarily absent to-day engaged in dedicating an institution in the State of Maryland for the relief and cure of

patients suffering with tubercular troubles. He is at the head of this praiseworthy undertaking.

OCCUPATIONS AND THEIR RELATION TO THE TARIFF.

Mr. CULBERSON. Mr. President, several days ago I asked unanimous consent to have printed as a Senate document (S. Doc. No. 46) an article entitled "Occupations and their relation to the tariff," by Edward Atkinson, in February, 1903. The Senator from Rhode Island [Mr. ALDRICH] objected at that time to the resolution; but I understand he has no objection now to its further consideration, and I ask that it be adopted.

The VICE-PRESIDENT. Is there objection to the consideration of Senate resolution No. 43, previously submitted by the Senator from Texas?

There being no objection, the resolution was agreed to, as follows:

Senate resolution 43.

Resolved, That there be printed as a document an article by the late Edward Atkinson, contained in The Quarterly Journal of Economics for the month of February, 1903, pages 280 to 292.

PROPOSED INVESTIGATION BY FINANCE COMMITTEE.

Mr. GORE. Mr. President, I desire to offer a resolution, for which I ask immediate consideration.

The resolution (S. Res. 45) was read, as follows:

Senate resolution 45.

Whereas it has been repeatedly asserted and generally admitted in the Senate during the debate on the pending tariff bill that current prices in the United States are unreasonable and exorbitant; and

Whereas there is a radical and irreconcilable division of opinion as to who is responsible for these extortionate prices; and

Whereas there are those who believe that the manufacturers are primarily responsible and others who believe that the wholesale and retail dealers are responsible; and

Whereas it is important that the truth should be known, that the innocent should be vindicated and the guilty alone charged with the blame and responsibility: Now, therefore, be it

Resolved by the Senate of the United States, That the Committee on Finance, or any subcommittee thereof, consisting of representatives of both political parties, are hereby instructed to investigate and report to the Senate at the earliest possible date—

First. The import prices of various articles of general and ordinary consumption.

Second. The wholesale prices of said articles.

Third. The retail prices of said articles.

Fourth. The prices of similar articles of domestic production, as fixed, charged, and received by the manufacturers thereof and the wholesale and retail dealers therein. And be it further

Resolved, That the said committee or subcommittee is hereby empowered to subpoena witnesses, administer oaths, compel the production of books and papers, and do all other acts and things necessary to carry this resolution into effect.

Mr. HALE. I move that the resolution be referred to the Committee on Finance.

Mr. CULBERSON. Will the Senator pardon a suggestion? I invite his attention to the fact that this resolution raises a very important question, which has been discussed in the Senate, and that it is particularly important that these facts be obtained before the conclusion of this debate.

Mr. HALE. The resolution does not give the Committee on Finance any power that it has not now. It can investigate and report, so far as time is given to the committee, upon every subject-matter, and there is nothing gained by stepping in on any particular subject that arises by discussion on the floor and calling for special action and investigation by the committee. The subject as to where the burden of the imposition of tariff duties falls is at the bottom of the entire question, and no new duties are devolved upon the committee by passing this resolution.

I can say to the Senator from Texas and to the Senator who introduced the resolution that the committee has not forgotten this side of the subject. It will act upon not only the particular schedule on which the debate arose, but upon all the schedules. Calling for this special investigation by the committee will have no real result except, possibly, an embarrassment to the committee.

I think, Mr. President, I must insist on my motion that the resolution be referred to the Committee on Finance.

Mr. CULBERSON. The resolution not only invites the attention of the committee specifically and pointedly to this subject, but instructs it to make the investigation. Of course, the committee has general power, but the resolution goes beyond that. It particularizes this subject, and the importance of it at this time can not be overstated or overestimated. On the motion to refer, as against the proposition of the Senator from Oklahoma to adopt it, I ask for the yeas and nays.

The VICE-PRESIDENT. May the Chair suggest that the resolution requires the expenditure of money and must of necessity go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. HALE. It had better be decided now by the Senate. I move to refer the resolution to the Committee on Finance.

The VICE-PRESIDENT. Upon the motion of the Senator from Maine, the Senator from Texas asks for the yeas and nays.

Mr. GORE. Mr. President, I desire to say that the Senator from Maine is eminently correct when he states that the resolution confers no additional power upon the Committee on Finance; but a power unused is equivalent to no power. There are a good many Senators in this Chamber who have some curiosity with respect to these prices, and, I might add, with reference to a great many other subjects that are important and indispensable to a rational decision upon many features and many schedules of the pending bill.

I am aware that the Committee on Finance has this power. I am equally aware that it has not exercised it, and I do not believe that it will exercise it. It is but just to the wholesale men and the retail men of this country that this investigation be made. Solemn Senators have gravely and deliberately impeached their fair dealings with their customers. It has been charged here that the retailers of this country have been perpetrating extortions upon their friends and their neighbors, for the customers of the retail men of this country are their neighbors and their friends, living within the limits of their cities or within their immediate communities. It has been deliberately charged that they have been filching and fleecing unreasonable prices from the men of their cities and their communities, whose interests are identical with their own, who are affected by the same droughts and the same floods, who are equally affected and afflicted by disasters of that sort. This impeachment has been deliberately made here in this presence.

Senators who are responsible for those charges are entitled to the greatest respect in the Senate, and they receive it. Their opinions are entitled to the greatest respect throughout this country. There are other Senators who disclaim that responsibility in behalf of the retailers and in behalf of the wholesale dealers of the country. There is no coward so great as he who fears to face the truth, and there is no cause so weak as that which is unwilling to stand upon the facts and upon the truth.

If the manufacturers are not responsible, they have a right to be exonerated. They have a right to be vindicated against the suspicion entertained against them. If the retail men are the wretches and the robbers they have been here depicted, then, sir, they ought to be sought out, and their guilt ought to be established beyond a reasonable doubt, and they should be held up to the wrath and the execration of their countrymen.

Now, one illustration in point. The junior Senator from West Virginia [Mr. SCOTT] has stated in this presence that glass pitchers which sell at the manufactory for 90 cents a dozen are retailed, I believe he said, for 25 cents apiece.

Mr. SCOTT. Mr. President, I must insist that the Senator shall not put words in my mouth. Three times I have stated on the floor of this Senate that I did not know what the pitchers sold for. The Senator from Iowa [Mr. CUMMINS] told me he priced them and that they were 25 cents. I hope that I will not have to make this statement again to the Senate.

Mr. GORE. He shall not, so far as I am concerned. I am glad to hear the Senator acquit himself of that responsibility. But I am informed by as reliable men as there are in the United States outside of the Senate that those pitchers retail for 15 cents apiece, and that in the 5-and-10-cent stores they can be bought at times for 10 cents apiece.

I have marked the rapture with which Senators on the other side, driven from pillar to post, driven from one sophistry to another, have taken refuge in this house of glass, and I hardly know whether I have been more amused or more amazed at the ecstasy, at the transports of delight, which they have exhibited when they found themselves surrounded by the protecting walls of that crystal palace. But I desire to remind Senators on the other side of the old adage that people who live in glass houses ought to change their clothes in the dark.

The Senator from California [Mr. FLINT] stated that Haviland china, which is bought at about \$5 a set in France, and which costs—tariff, freight, and so forth—about \$10 or \$11, retails for \$35, I think he said, in the stores of this city, and in the interior cities at from 20 to 30 per cent more. I have the highest regard for the Senator from California; but I am informed by two reliable merchants in this city, men who are as responsible as anybody outside of the Senate, that the proposition is preposterous, and if it ever happened in the history of the world somebody "underweighed sugar."

Responsible retail dealers tell me that the Haviland china which costs them \$18 they retail for \$25, and that Haviland china which costs them \$20 they retail for \$27.50. I confess myself largely indifferent to the duties on Haviland china. I have more concern about what is eaten from the ordinary plates

in this country and worn upon the backs of people who are unable to purchase Haviland china. But I say such an investigation as I propose is but fair to the interests of truth and justice, no matter where the responsibility belongs. Senators who think the retailers are to blame ought to be willing to have the investigation. Others who believe they are innocent and who think that the manufacturers are responsible certainly want the investigation.

I ask for the yeas and nays, because I look upon the Finance Committee as a tomb. If the resolution goes to that committee, I admonish the Senate now, I admonish the country, and I admonish the retail and wholesale men of the country, that they are not to have their day in court, for their accusers are unwilling for them to have an opportunity for vindication, even at the hands of their accusers, for their accusers would be both judges, jurors, and, it would seem, witnesses in the same case. But I ask, in the name of justice and in the name of truth, that the resolution be not buried alive, for the Finance Committee is a cemetery, and on the tomb of the resolution I see that brief and significant epitaph, "Hic jacet," which, I believe, means "Here it lies," and lies forever.

I ask for the yeas and nays on the motion to refer the resolution.

Mr. HALE. Mr. President, I think we had better have the yeas and nays. I simply wish to say that the Senator has built up his man of straw to assail. He is responsible for the use of the words "conspiracy" and "robbery," as applied to the retail dealer.

Mr. GORE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Maine yield to the Senator from Oklahoma?

Mr. HALE. I do not propose to take any of the Senate's time.

The VICE-PRESIDENT. The Senator from Maine prefers not to yield.

Mr. HALE. Nobody has arraigned the retailers as being in a conspiracy or as being robbers or as deserving of execration and reproach. But it has been claimed, and it will be discussed—it may be hereafter—that the course of trade is such that when a cheap article is put upon the market of the country by the manufacturers, the stages it passes through before it reaches the consumer from the wholesale dealer, the jobber, and the retailer enhance the price, in some cases more and in some cases less. But there has been no attempt to set up the claim that the retail dealer in the country anywhere is deserving of reproach as a man who is robbing the people. The prices that he asks are a part of the system of the trade, by which every article passes through one hand and then another, and in each case the price is enhanced.

All that I, or that any Senator who spoke of it, sought to claim was that the rate fixed by the tariff upon the manufacturer had little to do with the price the consumer pays at his own door. That is not a new proposition. It is an old question.

I am entirely willing, and hope that the yeas and nays will be ordered.

Mr. CLAPP. Mr. President, I do not myself think that a distinctive protective tariff, as distinguished from a revenue tariff, is necessarily added, as I undertook to show the other day. I do regret that in this debate a single pane of glass has been brought in here, and the difference between what that pane of glass would cost and the price at which it is sold characterized as profit, and the retailer charged with that exorbitant profit.

Mr. SMOOT. Mr. President—

The VICE-PRESIDENT. Will the Senator from Minnesota yield to the Senator from Utah?

Mr. CLAPP. Certainly.

Mr. SMOOT. I have not charged the retailer with any exorbitant profit any more than I charged the jobber. It is the different stages of handling the goods from the time they leave the manufacturer's hands until they reach the consumer. There may be one, two, or three handlings by jobbers and then one, two, or three from the jobber to the retailer. It is the whole system of trade that I spoke of in relation to the price of glass.

Mr. CLAPP. What I was speaking of, Mr. President, is the unfairness—not intentional perhaps—of characterizing the difference in cost to the retailer on what he sells as a profit, when out of that increased difference in price must come the share of the entire expense of the business.

Mr. President, I not only think we ought to have this information for our own use, but I believe that, unintentionally perhaps, an injustice has been done the retailers of this country.

Mr. FLINT. Mr. President—

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from California?

Mr. CLAPP. With pleasure.

Mr. FLINT. The Senator looks around to me when he speaks of injustice being done to the retailer. As far as any statement I have made in reference to the retailer is concerned, I reiterate it—I think no injustice has been done the retailer. In my opinion, the retailers of this country are making exorbitant profits. Many of the retailers who have been making exorbitant profits have taken pains to circulate the report that the high prices are caused by the protective tariff. This is not a fact. I think many of these articles that have appeared in the public press have been inspired by department stores. The effect of the articles has been to call attention to the fact that they are making extravagant and exorbitant profits out of their business. I want to repeat and reiterate what I have said on this subject.

Mr. CLAPP. Mr. President, I have not been able during this controversy to see where any necessity existed in the defense of a protective tariff to thus characterize the profits of the retail dealer. The retailers feel that this has been—

Mr. FLINT. If the Senator will allow me a moment more—

The VICE-PRESIDENT. Does the Senator from Minnesota yield further?

Mr. CLAPP. With pleasure.

Mr. FLINT. I say that the retailers in this country have taken pains to circulate petitions in their stores asking that the duty on this article or that article be reduced on the ground that the tariff upon the article made the high cost to the consumer. I want to say that in each instance where they have sent in these petitions the tariff is not a factor in fixing the price, but it is the exorbitant price charged by the retailer, and a reduction in the duty would not reduce the price charged by the department stores and other retail stores throughout the country.

Mr. CLAPP. Mr. President, I received yesterday a petition purporting to be signed by a man in the West and it was mailed to me from Wall street. There is no doubt that some retailers have been, unwittingly perhaps, the instrumentality of circulating petitions, but the fact remains that there are thousands of retailers in this country who barely make a living from one end of the year to the other, and to-day they have to face their people and their trade with this charge, if I may characterize it as a charge, emanating from the American Senate, that they are putting an extortionate price upon their goods. I have a letter—

Mr. ALDRICH. Will the Senator allow me to ask him a question?

Mr. CLAPP. Certainly.

Mr. ALDRICH. Does the Senator think the Finance Committee can take up this investigation at this moment and proceed with it?

Mr. CLAPP. I think probably the Finance Committee has a great deal of data, and that in a very short time it could be laid before the Senate and before the American public.

Mr. ALDRICH. They have no data upon the subject at all, except such as is in the minds of the members of the committee. It seems to me it would not be the desire of the Senate to impose any new duties on the Finance Committee at the present time; that is, if we are ever going to get through with the bill.

Mr. CLAPP. Not anticipating a resolution of this kind, I began an investigation upon my own responsibility as to glass.

Mr. ALDRICH. Will the Senator permit me to make another observation?

Mr. CLAPP. Certainly.

Mr. ALDRICH. The tendency of the resolution and its consideration are against the order of the Senate, but I would be very glad to get it out of the way if I can. We have spent a great deal of time in the last two days in discussing extraneous matters, and I am extremely anxious, if possible, to get the Senate down to the consideration of the paragraphs of the bill.

Mr. CLAPP. Having taken up this investigation on my own responsibility and proceeded with it to some extent in the glass matter, I want to submit and have inserted in the RECORD a statement of one of the reputable glass dealers in this city, to the effect that while it may be true that a particular kind of glass bought in one piece might bring 15 or 20 or 25 cents, of the common, cheap window glass that is used in the ordinary plain house a single light can be bought in this city for 8 cents, and in any sufficient quantity to complete a small home as low as 3.6 cents. I ask to have the letter inserted in the RECORD.

The VICE-PRESIDENT. Without objection, it is so ordered. The Chair hears no objection.

The letter referred to is as follows:

WASHINGTON, D. C., May 14, 1909.

HON. MOSES E. CLAPP,
United States Senate, Washington, D. C.

DEAR SIR: I notice in CONGRESSIONAL RECORD proceedings in the Senate of the United States, Monday, May 3, 1909, on page 2029, something said there by Senator SMOOT as to the cost and as to selling price of a pane of glass 12 by 14 inches.

There are different qualities of glass; common window glass has four qualities; picture glass has a higher grade than any one of the common window glass grades, therefore it is difficult to determine as to the kind of glass called for by the appraiser who had been wired to by Senator SMOOT.

A light of common window glass, third quality, 12 by 14 inches, can be purchased by me in carload lots, delivered on tracks in Washington, D. C., at a cost of 2.9 cents per light for single thick. If I buy the same light of glass from the jobber, it will cost me in hundred-box lots or less, landed down on the platform of any railroad entering Washington, single thick, 3.4 cents per light. A single light of this glass called for by a customer desiring to purchase will be charged 8 cents for it. The time consumed by a clerk taking this light of glass out of stock to his counter, wrapping it up and giving the cost of string, would be considerable, and if that clerk and other clerks in the same business house continued through the day to sell single lights of glass at the indicated profit the house would be calling for proceedings in bankruptcy before many years. Whilst if this same customer desired a sufficient number of lights to glaze in windows in a 6-room house, he can have the same light of glass in sufficient quantities to complete his house, delivered at the building site, at 25 per cent more than the manufacturer's price, that is to say, that the light of glass costing me on tracks here 2.9 cents will be delivered by me to the purchaser at the building site for 3.6 cents per light, and it is quite possible if the customer is shrewd, gets an estimate of cost from two or more dealers in Washington, that he will purchase the glass necessary for his home at less than 25 per cent over and above the manufacturer's delivered price to me or them on tracks in Washington.

Yours, very respectfully,

THOS. W. SMITH,
First and Indiana Avenue NW.

Mr. WARREN. Mr. President, it seems to me there is a good deal of room between the two extremes of statement, that the retailer makes little or no profit, and that the retailer makes an exorbitant profit. There is a large field of expense and a great many items of expense that are perfectly natural on the part of the wholesaler and on the part of the retailer in passing merchandise on from manufacturer to consumer.

Take the matter of glass, for instance. In the first place, it requires expensive packages in which to ship it. It meets heavy freight charges. It requires labor in unpacking, cleaning, and placing upon the shelves; and there is a large percentage of breakage in glassware and crockery between the point of shipment and their place upon the shelves of the merchant.

The manufacturer and the jobber can afford to handle goods upon a small margin, because they turn over their stock of material or goods often; because they can do business in much cheaper buildings, in more obscure streets if in cities or towns, or in the country, as is often the case in manufacturing. On the other hand, the retail trader is at a tremendous expense and many and varied risks. The purchasing public, in quest of some little article—or large one, for that matter—usually goes to the place which is in the most popular location and is making the greatest exhibit. They demand that they may go on the most fashionable and most frequented of the business streets, preferably into corner stores; that the storerooms shall be brilliantly lighted and magnificent in all detail; that there must be plenty of clerks, men or women, or both; that these clerks must be well groomed and attractive in appearance, and affable and engaging in manner. In fact, the retail purchaser usually loves to buy of the most luxurious establishment in the town. This is not quite so marked in grocery stores, markets, and so forth, but it is true in a measure, nevertheless, as to every place where merchandise is sold at retail. The customer may be more careful in buying groceries, and so forth, which are everyday purchases, but if he wants a bit of glassware or crockery, some trinket or gift, a piece of jewelry—or if a lady wishes some article of wearing apparel, or, for that matter, I might include the gentlemen as well—they are bound to go to the so-called "fashionable shops." They want what they want just at that particular time, and they want to get it at that particular place, and they want it to bear that shop's trademark, so that they may be able to say afterwards that the article was purchased at so-and-so's store, naming the most fashionable retail establishment in the vicinity, and it does not so much matter about the price.

I had some experience in early life in mercantile matters. I have often figured over the books and balance sheets of concerns where the store expenses outside of packing and transportation charges—simply the ordinary running expenses of the store—took from 25 to 33½ per cent of the entire amount of money taken in. And these concerns were not the great fashionable shops in large cities, where the insurance is considerable, the rent enormous, and the advertising equally so.

So the retail price of goods depends, first, upon the number of people or firms who may have to handle the goods and through

whose hands they pass before reaching the retailer, and also at what point and under what circumstances they may be sold. It depends, again, upon the relative cost of the naked article and the package charges, the weight and freight charges, the risk in breakage or leakage or damage in shipping, and so forth. I have seen freight bills paid upon merchandise that amounted to 100 to 300 per cent upon the original cost at the manufactory; and while this increase, added to the other expenses upon the goods en route, through sales, and so forth, to the consumer, made the total increase perhaps 500 per cent or more, still none could be accused of having made an exorbitant profit. It is a wide field, and one that ought to be well understood without the necessity of making any special examination. What some trinket or article not in ordinary use—or even in ordinary use—may bring when sold in some fancy, illuminated, and bedecked, centrally located shop or establishment has nothing to do, legitimately, with the first cost at the manufactory, or, for that matter, with the price paid the jobber.

Mr. BORAH. Mr. President, I ask that the resolution be read again. We were not able to hear the resolution in this part of the Chamber.

Mr. ALDRICH. I think I will object to the further consideration of the resolution.

The VICE-PRESIDENT. The Senator from Rhode Island objects to further consideration at this time. The resolution goes over under the objection until to-morrow.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. JOHNSTON of Alabama. Mr. President, I congratulate myself that I am not so new in the Senate as not to attract your attention, and I am not so old in my seat as to be apprehensive about vacating it soon.

The bill that we have up for consideration reminds me of the second commandment. There is nothing like it in the heavens above or in the earth beneath or in the waters under the earth. I think that when it becomes a law, as it is predestined to become, there will be none to fall down and worship it except the idiots, the insane, and the protected manufacturers.

My friend the junior Senator from Mississippi [Mr. McLAURIN] yesterday attempted to improve it by introducing some plebeian articles on the free list—plows, belly bands, trace chains, and so forth—and I think he had no apprehension of the aristocratic company that they were to keep.

Having waded through 192 pages of this bill, I struck the free list, and the thirteenth item that appeared on this privileged class was "apatite." A little further on, I found that teeth, natural or unmanufactured, were let in free, I suppose to wait upon apatite and do its perfect work. I thought these were the cruellest things in the whole bill; that after putting a duty of 5 cents a pound on hams and bacon and about 40 per cent on nearly every article necessary to sustain life, the framers of the bill should turn loose free appetites and free teeth. Distrusting the apparent error in spelling the word, I finally consulted the dictionary, and found that the word "apatite" was not the good old-fashioned craving for something to eat, which seems to be constantly increasing under Republican administration, but was a "vitreous, sea-green, brown, blue-black, white," and so forth, "transparent to opaque, calcium chlorophosphate or fluophosphate (Ca.FP₂O₁₂), usually crystallizing in hexagonal prisms; used formerly as a gem and called 'moroxite';" and that this word was derived from the Greek "apate," which meant "deceit." That is a good word to put in this bill. I was greatly relieved. I knew how the people must crave for this deceitful gem and how little use they had for a good, old-fashioned English appetite. They will not have the least use for either natural or artificial teeth if this exorbitant protective tariff continues to increase and the trusts to multiply.

Pursuing my studies further, I discovered in this free list catgut, whip gut, or worm gut. I was not amazed that the human article was not included, because we shall be able to diminish the number we need as the duties increase. [Laughter.] But the people are not left entirely without hope, for there is included in the free list manna, joss sticks, ipecac, nux vomica, dragon's blood, asafetida, and balm of gilead. These may be said to be in the nature of countervailing duties on apatite. I do not object to any of them, but there is one still further on which I shall move to strike out; that is leeches. [Laughter.] I think there will be a great increase in their production under this bill, and that the supply will largely exceed the demand. Spunk is also put on the free list.

I am delighted at that, for if some of my friends on the other side of this Chamber had a little more of it, I am satisfied that the country would have lower taxes on the necessities of life.

Looking further into this admirable free list, I find raw silk free—the duty on the manufactured article is 50 per cent—whilst a duty of nearly 135 per cent is laid on woolen or worsted cloths valued at not more than 40 cents per yard, an article largely in use by a vast number of the people of this country. So that when a woman buys 10 yards of cloth for a worsted dress, worth \$1 abroad, she has to confront a protective duty or tax of 135 per cent and contribute \$5.40 to a benevolent government or a protected manufacturer, making the cloth cost her \$9.40; at the same time her more favored sister gets her 10 yards of silk by paying a duty of only \$5. Uncut diamonds come in free, and the cheapest blankets are taxed 107 per cent. Imitation diamonds and pearls are 20 per cent. Not many of our people are able to buy the genuine article, and if they adorn themselves with imitations, they are charged heavily for it. Furs, undressed, are admitted free of duty and Brussels carpets taxed at 75 per cent. Rags are wisely put on the free list and common shawls bear a duty of 92 per cent. It must be a great comfort to our people to know that under Republican rule they still may get rags without paying a cent of tribute to the Government or to any trust or manufacturer. The women of the country will be delighted to know that whilst frocks are high and stockings are going up, rags are coming down. [Laughter.] Next year, whether we see them or not, I expect there will be as many darned stockings as there will be dams for this bill.

I want, Mr. President, to call attention to this pregnant fact, that not only has no substantial change been made in this bill looking to a reduction of the taxes upon articles of necessity, but it is observable that in a great many cases the duties are lower on the finer and more expensive grades, especially of woolen or worsted goods, than on the cheaper. It will be perceived that those valued at not over 40 cents per pound bear a duty of 134 per cent, whilst those valued at over 70 cents per pound are taxed at 94 per cent. So with blankets. Those valued at 40 cents per pound are taxed at 107 per cent, whilst those valued in excess of 50 cents per pound are taxed at 71 per cent. The same thing appears in paragraph 376 on dress goods. Those valued at not exceeding 15 cents per square yard are taxed at 105 per cent, and, when they are valued at above 70 cents, at 94 per cent. Oriental carpets woven whole for rooms, paragraph 387, bear a duty of 60 per cent, whilst in-grain three-ply carpets are taxed at 66 per cent. Champagne bears a duty of 65 per cent and wearing apparel of 86 per cent.

So it is cheaper to drink champagne than to wear clothes. So with hats and bonnets, those costing not over \$5 per dozen are taxed at 62 per cent, and those valued at more than \$20 per dozen at 35 per cent. Whenever we buy a yard of foreign cloth we patriotically pay the duty to the Government; when we buy the homemade article we pay the duty all the same to the manufacturer, but with less pleasure and patriotism.

Whether or not there has been a compliance with the platform of the Republican party, or the recommendation of the President, or the expectations of the country, I will undertake to say of the 14 schedules of the bill containing some thousands of articles, that in 9 of these the duties have been raised, 2 remain the same as in the Dingley Act, and in 3 only is there an apparent reduction; and the honorable chairman of the committee advises us that—

The changes we propose to make in the administration act include (1) new definitions of dutiable value and new methods in its proper ascertainment, (2) more efficient collection machinery, and (3) a provision for the creation of a customs court to insure uniformity of decisions in customs cases. The provisions suggested will, in the opinion of the committee, result in the collection of a certain percentage more revenue in the importation of the same articles than was collected under the act of 1897—

And adds that—

The extent of the undervaluations practiced under existing law is variously estimated at from 10 to 25 per cent of the revenue collection.

So, if the chairman and the committee are right, there will be, under this bill, from 10 to 25 per cent more added to the duties and revenues of the Dingley Act. From being standpatters some five years ago, the Republican leaders were driven last year to a declaration for revision. If the revision was not to be downward, why abandon their former position? Was it to deceive the voters of the country or to mislead their nominee for President? For he stated in his inaugural that "we should make the taxation as light as possible." The argument during the campaign was made everywhere that we were to have a revision downward; that it should be had, but it ought to be made by the friends of protection and not its enemies. It was conceded that the Democrats would revise downward largely, especially on the necessities of life, and the Republican posi-

tion was that this would bring on numerous disasters. Now, when the bill is brought into this Chamber, it is a complete disappointment to all those who hoped for a reduction of duties; and when the administrative features are added, it will be distinctly more oppressive than the Dingley Act. The reduction is upward. We ridiculed the standpatters; we prayed to be delivered from them; but we had fared better at their hands, and now they begin to have a more amiable appearance. The letter of the platform may have been kept, but the spirit and the understanding of it by the people is crucified.

One good thing will result—the people will become convinced that they can not rely upon those now making the laws, and, despairing of securing any revision downward by the friends of protection, they will turn to the friends of the people.

Is it possible that the eloquent Senators from Iowa or the wise Senator from Wisconsin, and other Senators of great ability, were deceived last year when, in supporting the Republican ticket, they advised the voters that the platform meant revision downward? Did anyone contradict them then? If not, why not?

Republicans are amusing themselves by charging that Democrats are leaning to protection because they desire to see the products of their States treated fairly. When we find ourselves confronted with a bill framed on protective lines, we want to see it made equal and fair in its operation upon all sections of the country. We do not want a protective tariff for one section and free trade for another. That would not only compel the people of one section to pay their share of the burdens of government, but at the same time compel them to pay tribute to another section. So far as I have observed, not a single Democrat has advocated protection for a single article; and in no case, so far as I have observed, has a proposal been made to impose a revenue duty greater than 20 per cent, whilst the average rate under this bill is nearly 45 per cent. Reductions have been made in this bill in only three schedules; and it is noticeable that two of these include articles largely produced in the South, and in the other the reduction is less than 1 per cent.

Protection has enough sins to answer for without adding to them unfair discrimination.

Mr. President, I shall not by my vote add one protective infant to this chosen band, whose interests and profits are to be secured through congressional legislation by laying burdens upon the shoulders of the people of the whole country. I do not wish to see another industry relying upon laws and not upon its own skill and industry for profits. To do so is to strengthen the confederation who already seem able to dictate schedules and to measure the extent of their exactions. The pirates of Tarifa took all; but these men, wiser in their generation, permit the victims to live and work, so that they may be plucked again.

I am persuaded that every article imported into this country not controlled by a trust, should bear its fair and equal share in furnishing the revenues necessary for the expenditures of the Government. The chairman of the committee frankly informs us that if we reduce the rates imposed by the bill to a revenue basis, it means an absolute increase of revenue, rather than a reduction, and that the only way the revenue can be reduced substantially is either by adding to the prohibitory duties or by placing articles on the free list; and this is the answer of the Senator to the President's statement "That in the making of a tariff bill the prime motive is taxation, thereby securing a revenue." The Senator seems to think a reduction of taxes the least desirable of the three.

The Senator seems to be confident that this bill will supply the necessary revenue. Others, amongst them myself, have grave doubts; but the Senator seems willing to incur the risk and to supply the deficiency of revenue, in a time of profound peace and Republican prosperity, by an issue of bonds, rather than increase the revenue by a reduction of duty, even on articles of common use and necessity. He assumes that the receipts derived from the internal revenue will remain the same in the face of the Treasury report that they have declined \$6,000,000 during the present fiscal year, and, it seems to me, they must continue to decline more largely under the constantly increasing prohibition laws of the several States.

We are indebted to the honorable Senator for some very frank expressions. He says the fact that Congress appropriated less than the estimates of the departments does not relieve it from responsibility for its "unprecedented extravagance," and that no excuse can be found for similar legislation in the future. Again, he speaks of the "inconsiderate waste of the public money." He says that from an investigation, more or less superficial, the appropriations made last year could have been reduced fifty millions "without impairing the efficiency of the Government." He concludes his interesting confession that, if

the revenues are less than anticipated, it is the imperative duty of Congress to reduce expenditures, the last resort of Republican extremity.

Now, Mr. President, this is a good, wholesome, honest confession. But confessions have no virtue unless they are accompanied by repentance and sometimes by restitution. According to the Senator's admission, it shows that in so far as the people of my own State are concerned, that his party took from them in extravagant and unnecessary appropriations more than \$1,000,000, and all the other States fare equally as bad. What a pity that the Senator did not make these discoveries when the appropriation bills were before us. Where was Roderick then? One blast upon his bugle here was worth \$50,000,000. I believe every one of these appropriation bills was increased in the Senate over the House appropriations, and yet if the Senator had thrown his great weight and influence against them we should have reduced the extravagant appropriations of the House instead of enlarging them. We can congratulate the Senator that it is better to repent now than never to repent at all. Whether this repentance shall stand the rude current of the next appropriation bills remains yet to be seen.

The Senator reminds me of an old man down in my State, who, desiring to break a steer, concluded that the best plan was to yoke himself up with the steer. He lived near a court-house town. After he had yoked himself up, the steer ran away with him, and he had to keep a rapid pace in order to prevent his head from being pulled off by the yoke that he was wearing. Finally, they got into the court-house town; the steer ran him around the square, and he yelled out to the bystanders: "Won't somebody stop us durned fools quick?" [Laughter.] So it is with these appropriations.

Mr. President, the chairman of the Finance Committee says that he expects this bill to produce three hundred and forty-five millions of revenue for 1910.

I read last year in the American Economist an article, as I remember, from Mr. Van Cleave, president of Manufacturers' Association, stating that for every dollar paid into the Treasury under the Dingley bill, \$3 were contributed to the manufacturers. If that be true, then the people of the United States, the producers and other classes, will have to pay, in order to raise this three hundred and forty-five millions for the Government, over one thousand millions to the protected manufacturers, a burden of over \$10 for each man, woman, and child in this country, and a sum nearly equal to one-third of all the money in the United States. The Senator from Iowa [Mr. CUMMINS] is reported to have said that—

All the robberies committed by all the insurance companies, for all time, did not equal one-fifth of the amount that the American people were robbed of every year under the protective-tariff system.

Mr. CUMMINS. Mr. President—

The PRESIDING OFFICER (Mr. JONES in the chair). Does the Senator from Alabama yield to the Senator from Iowa?

Mr. JOHNSTON of Alabama. Certainly.

Mr. CUMMINS. I beg to say that the quotation which the Senator has just attempted to give is not accurate. I know that it is somewhat current about the Capitol, but I should like the Senator to examine the speech from which that is supposed to have been taken and at some future time give the extract exactly as I gave it myself.

Mr. JOHNSTON of Alabama. I will be very glad to furnish the Senator with the authority I have.

I am very glad, Mr. President, that we have no statistics which show how much is collected from the people and not paid into the Treasury, but to manufacturers under the operations of this tariff, because I remember that Lord Beaconsfield said there were three kinds of liars—a liar, a "durned" liar, and statistics. So I prefer that we shall leave this estimate to Senators to judge by their own experience and observation.

If the people were called upon to vote a direct tax of \$1,000,000,000, or even half that amount, to give a fair and reasonable profit to the manufacturers, I imagine that such a measure would receive support from that class alone; but because this tax is indirectly taken the people continue to suffer it to be laid.

It is claimed in behalf of this policy that it is better for the people to pay these exorbitant and unnecessary prices, for the money is kept at home. I doubt whether any citizen of this country derives very much consolation from knowing that the money of which he has been robbed is still in the country. For myself, I rather think that I should resent more keenly being robbed by my neighbor than by a foreigner.

I think there is no Senator on this floor who advocates free trade. We have to raise an enormous revenue to meet the "unprecedented extravagance" of our appropriations, and we are

practically agreed that this money should come largely from duties laid on imports. A revenue tariff impartially laid on all articles of import, excluding coffee and tea, to support the Government with the higher rate on the luxuries would require a duty of about 25 or 30 per cent and give our manufacturers an advantage of that per cent over foreign producers; certainly more than the difference between cost of labor at home and abroad, because the table presented by the Senator from Texas [Mr. CULBERSON] yesterday showed that the whole cost of labor in the manufactured products of the United States was not exceeding 18 per cent of the cost of the article. I find no authority in the Constitution or in common justice for the Congress to take money from one class in order that another may make a profit.

No one proposes that the farmer, the miner, or the merchant, or those engaged in the professions shall be guaranteed by the Government a fair return on his labor, skill, or investment. The manufacturers alone enjoy this bounty. How long shall this one class be guaranteed by law a profit, whilst all other classes must labor and sweat and take the precarious chances of seasons and markets aided by no other laws than those of nature and trade?

After fifty years of protection these manufacturers are still clamoring for more protection and, in many cases, selling their products cheaper abroad than at home. The home market and the home people footing the bills are not favored by them. The corridors of the Capitol are besieged by them; the offices and the mail of Senators are filled to overflowing by their appeals, every one with one voice and one mind demanding higher rates, or that no reduction be made in the most protective bill ever framed. They are now demanding as a right what they formerly sought as a favor. The men who foot the bills are not seen in these corridors. They are at work at home; they are unable to bear the expense of a visit to Washington. Their voices are not heard, or if heard, I fear are unheard.

The Senator from Maryland [Mr. RAYNER] seems to think that an interest in the tariff makes a man careless with his facts. I think that even the contemplation of it and the statistics and arguments furnished in its behalf tends to give a man intellectual strabismus. I feel that it is something like the Presbyterian elder who was whipping his child for misstating the facts about the cost of production or the cost of appropriating a watermelon, and he asked him, in the course of his correction, what the Bible said about liars. The boy disclaimed knowing; but as the switch came down with greater vigor he finally decided that he knew, and said, "I know what it is," and his father said, "What is it?" The boy said, "A liar is an abomination in the sight of the Lord, but a very present help in time of trouble." [Laughter.] Certainly this is a time of trouble for the manufacturer.

The imposition of any tax can be justified only by its necessity; and when the tax is not taken for the support of the legitimate purposes of government, it is oppression. However small the tax upon the individual, in most cases it means self-denial; often it takes the book out of the child's hand and denies him education, and in a vast majority of cases it means a complete bar to all the luxuries of life enjoyed by the favored few.

Government is not the creator of wealth and can not give to the few without taking from the many.

Our fathers established this Government to enjoy political freedom, religious liberty, and to secure to all its people equality of opportunities and burdens. I well remember when but one man in all this great and happy country was reported as worth a million dollars, yet we lived to see the day when great fortunes are numbered by the thousands, while millions are toiling for the necessities of life and bearing an unequal share of the burdens of government.

It is time for us to take thought of the men to whom this country must look to sustain its honor, defend its territory, and assert its liberties in time of peril.

Mr. President, recently I picked up an old book; the title was "The Gentleman's Magazine or Monthly Intelligencer," printed at St. John's Gate, London, by F. Jeffries, in the year 1733, third volume, and on pages 86 and 127 I find this.

At a certain time, along about the Middle Ages, a most interesting episode occurred in the career of the senate of Florence. A coterie of senators was seeking to impose upon the people an exceptionally burdensome tax. There was one who protested in behalf of the people—Gulielmo Peggio. This is what he said in a speech to the senate:

Most magnificent lords, some noble Florentines have given me to understand that our whole business of meeting here is to drain the people by taxes and imposts, in order to swell the pride and fill the coffers of some private families among ourselves. With this extraordinary taxa-

tion you propose to create more offices; offices which have the appearance of use, yet one man with common sense might do the business which five or six favorite drones have large appointments to execute. What an alteration have these things occasioned! The spirit of the people seems fled with their money extorted from them by taxation, and they humbly and meekly wait at the doors of these upstarts, to be directed in the choice of magistrates, and only to have thrown back to them a scrap of the bread which was taken from them in taxes.

Should I be asked if I would let the State suffer for want of a present revenue, I would answer, no. Let it be raised from those who are able to spare it. * * *

I prefer this method to permitting them to remain as they are, and accepting donations from them at certain times; because the latter would be a kind of acknowledgment that they were of some good use after all, which would be against my conscience.

That speech of Guallelmo Peggio in behalf of the people against their plunderers had its answer, but the answer was not made in the open senate, where the people could hear it. It was made by their chief of his party, the most cunning and astute of them all, made to his own faction, all others being excluded, because they, being in control of the government, regarded themselves as alone responsible for its conduct. This is what Furfante, the brilliant chief of finance of the Florence senate, said to his loyal associates:

Most magnificent lords and noble companions, you have heard with what insolence Peggio inveighed the other day against those excellent customs which we have introduced in order to establish ourselves in wealth and greatness. His invectives I take as a level against me, which I receive as compliments to my superior genius, for I glory in being counted the man who first brought the art of fleecing the people into so great credit and reputation. I say without vanity that those very persons whom the disaffected, through envy, stigmatize with the names of knaves and plunderers owe their establishment and security to our indefatigable labors—labors by which the ingenious art of legerdemain is so improved in this city that if only 10 persons were set ashore in an uninhabited island with only one of us among them, if in a month's time he did not cheat the other 9 of all they had I would not own him to be one of us.

Let the disaffected reproachfully remind us of the conduct of Camillus, Regulus, and Cincinnatus, who from conquest went back to the plow. Did any of them have as much money as any of us here present? * * *

Let the wisdom of the head be theirs, and be ours the wisdom of the fingers. Our enemies seem to have found means to engage the affections of the giddy multitude, which might prove fatal to us did I not take care to tax the trade of this city. Meum and Tuum disturb this world. Stick together. Upon that depends our common safety. Never admit anything advanced by the disaffected, though never so evident; but if I should think it necessary to assert that 3 and 2 make 150, you must swear to it. Hear no reasons; but face them down. * * *

Let us fleece on; the wool will grow again, for the flocks are made for the use of the shepherds.

This closed Furfante's speech, and his companions crowded around him and assured him he had spoken like an angel.

Mr. ALDRICH. Paragraph 119, I think, is next.

Mr. KEAN. One hundred and nineteen.

The SECRETARY. On page 33, paragraph 119, relative to beams, girders, joists, angles, channels, car-truck channels, T T, columns and posts or parts or sections of columns and posts, deck and bulb beams, and building forms, together with all other structural shapes of iron or steel.

The PRESIDING OFFICER. The committee amendment has already been agreed to.

Mr. ALDRICH. It has been.

Mr. CRAWFORD. In 119?

Mr. ALDRICH. I want to withdraw the amendment increasing the rate from three-tenths to four-tenths.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Rhode Island? He withdraws the amendment. There are two amendments, the clerk says. Which amendment does the Senator withdraw?

Mr. ALDRICH. The last amendment only.

Mr. CUMMINS. Do I understand both committee amendments have been agreed to?

Mr. ALDRICH. They were agreed to when we passed upon the schedule before; but I propose, by unanimous consent, to withdraw the amendment which increases the rate from three-tenths to four-tenths. I propose to return to the House rate of three-tenths.

Mr. CUMMINS. The committee does not intend to change the classification?

Mr. ALDRICH. No, sir. That is absolutely necessary for the protection of the business in this country.

Mr. BEVERIDGE. I understand what the committee proposes to do is merely to withdraw its amendment which increases the House rate from three-tenths to four-tenths. There is an increase of one-tenth.

Mr. ALDRICH. There is no increase.

Mr. BEVERIDGE. I say that is what the committee withdraws.

Mr. CUMMINS. I hope the Senate will not receive the impression that the withdrawal of the amendment in regard to the duty—that is, substituting three-tenths for four-tenths—restores this paragraph to the form or effect which it had

when it passed the House. I would be wholly satisfied with that restoration, and it may be the reclassification contained in the committee amendment is necessary, although from the information I have—and that is contained in the hearings before the House—there seems to be no reason for such a duty. I think this clearly falls within the suggestion made yesterday that there should be some explanation for it.

It will be observed that in the House paragraph it is provided that these beams, girders, and so forth, "together with all other structural shapes of iron or steel, whether plain or punched, or fitted for use," shall pay three-tenths of 1 cent per pound. The Senate committee has recommended the striking out of the words "whether plain or punched, or fitted for use," and insertion of the words "but not assembled or manufactured or advanced beyond hammering, rolling, or casting."

I take it that the elimination of such forms from this paragraph will place them under the general paragraph, and that upon such forms there will be levied an ad valorem duty of 45 per cent; and this means a duty of substantially \$14 a ton. If I am wrong about that, I will ask what will be the duty under the 45 per cent ad valorem?

Mr. ALDRICH. The foreign price of structural steel is about \$20 a ton, and the duty would be 45 per cent, or \$9 a ton.

Mr. NEWLANDS. It is impossible to hear the colloquy.

Mr. CUMMINS. I did not quite hear the Senator from Rhode Island.

The PRESIDING OFFICER. Senators can not be heard.

Mr. CUMMINS. Do I understand the statement of the Senator from Rhode Island to be that steel of this character is worth only \$20 a ton abroad?

Mr. ALDRICH. What I said is that the foreign price of structural steel is about \$20 per ton.

Mr. CUMMINS. That is not my recollection. If the foreign price is only \$20 a ton, the duty is too high. But according to the information furnished by the committee, the foreign price as a whole was a cent and four-tenths per pound. That would make substantially \$28 a ton.

Mr. BEVERIDGE. I rise to make a suggestion, in order to get the Senator's mind upon it. Would the Senator have any objection to the committee withdrawing the last part of its amendment, which substitutes the word "four-tenths" for "three-tenths," and then consider the other part of the amendment?

Mr. CUMMINS. Certainly not. I have no objection to that.

Mr. BEVERIDGE. The committee does withdraw that part, restoring it to three-tenths. The rest of it can be discussed, so that we may see where we are.

Mr. LODGE. That part has been withdrawn.

Mr. BEVERIDGE. That part has been withdrawn, so we may understand where we are.

Mr. CUMMINS. I understand we are discussing only what may be called the "classification," taking out some forms and putting them under the general law, which imposes upon them a duty of 45 per cent. I may be wrong, but I have every reason to believe that the general value of structural material is rather above than below \$30 per ton; and if it is \$30 per ton, then the ad valorem which would be put upon these forms that are thus excepted from this paragraph would be \$14 per ton, instead of \$6 a ton, upon the forms which remain in the paragraph, according to the committee's action this morning.

If that be true, I should like to know why these particular forms should bear a duty of \$14 a ton, or something like that. I understand that structural steel passes from the rolling mill to what may be called the "punching mill," or the "fabricating mill," and the purpose here, I take it, is to entirely exclude the importation of structural steel that is advanced so far as to be ready for the riveting which may take place when it is used in the building for which it is proposed.

Mr. SMOOT. Mr. President, I wish to give the Senator the reason for the advance as a whole. Of late great buildings in the city of New York have been constructed with structural steel in this way.

Not only do the shipments come from foreign lands of what was formerly known as "structural steel," but they have gone so far of late as to come and take the measurement of a vast building—the window and door frames—and in foreign countries have it manufactured and shipped here and placed in the building, with no other work to do in this country than to bolt them together, and that is why we have changed the wording in the law to restrict that class of goods from coming in here at three-tenths of a cent per pound.

I know of a number of buildings in the city of New York that were constructed in the year 1907 and also in 1908 where every single bit of structural steel—I do not mean the girders, but I mean the window and door frames, and all of the iron

in the building—came in under paragraph 119, and would come in at three-tenths of a cent. The old rate was five-tenths, and it would come in under the new rate of three-tenths to-day, and the wording which the committee have reported here is for the purpose of taking that class of finished product and putting it under the law at 45 per cent.

Mr. CUMMINS. The purpose of the committee is perfectly obvious, and I for one do not complain of it; that is, the reclassification. I agree that the duty upon structural steel, which is advanced to the point suggested by the Senator from Utah, ought to be more than the duty on structural steel that has had nothing done upon it except the rolling. But, it seems to me, the duty is altogether too high; and inasmuch as the Senator from Utah has mentioned the importations under the old paragraph at five-tenths of a cent per pound, I beg to call the attention of the Senate to what has actually been done in this country with regard to structural steel.

We imported for the year ending June 30, 1907, 34,359,271.40 pounds. That means that we imported practically 17,000 tons of structural steel, a mere negligible quantity as compared to that which we have used. But that is not the point that I desire to impress upon the Senate.

Mr. SMOOT. Mr. President—

Mr. CUMMINS. Just a moment. We exported during the same year of structural steel a quantity of the value of \$6,954,818, and the value of our entire product in this country was \$32,730,901. So that we exported nearly one-fifth of our entire manufacture, and imported about 17,000 tons.

Mr. SMOOT. The Senator must certainly understand that our importations were not of ordinary structural steel; it was the finished product, and the price itself demonstrates that. It cost \$28 a ton, whereas ordinary structural steel does not cost any more than \$20. So it is proved, beyond all question, that all the importations into this country were of the finished product.

Mr. CUMMINS. I have no reason to doubt that statement; but what I rose to do was to ask whether, having reduced now the duty upon the paragraph generally to three-tenths of a cent, instead of four-tenths, the committee still is of the opinion that we ought to have \$14 a ton or 45 per cent ad valorem upon the other?

Mr. SMOOT. I have no doubt in the world that it is necessary upon the class of articles that would fall under this particular paragraph, because it is all a very high-finished product.

Mr. CUMMINS. I was not advised until just now that this particular amendment had been adopted. I thought the whole paragraph was open. Therefore I have not at hand the amendment which I had in mind to present. It seems to me this duty is too high; then I shall offer the amendment in the Senate.

Mr. NEWLANDS. I ask the Senator from Iowa if he is able to state the cost of the production of steel that has simply been rolled and has not yet been assembled or punched?

Mr. CUMMINS. Of course the assembling and the punching are two different operations.

Mr. NEWLANDS. Yes.

Mr. CUMMINS. As I understand it, the amendment of the committee excepts or withdraws from the operation of this paragraph any structural steel that has been advanced beyond merely casting or rolling.

Mr. CRAWFORD. I should like to make a suggestion.

Mr. CUMMINS. I do not hear the Senator from South Dakota.

Mr. NEWLANDS. The Senator will permit me to continue my inquiry until I am through?

Mr. CRAWFORD. Yes.

Mr. NEWLANDS. I desire to ascertain how he determines that if this paragraph stands as it is, with the new classification fixed by the Senate committee, it will mean a duty of \$14 a ton on the finished structural steel?

Mr. CUMMINS. It would, if the structural steel was worth \$20 a ton.

Mr. NEWLANDS. I had the impression it was worth much more.

Mr. SMOOT. Under the paragraph it is only three-tenths. Under paragraph 119 it is—

Mr. NEWLANDS. As I understand under this paragraph, with the withdrawal suggested this morning by the Senator from Rhode Island, the rate of the duty upon steel which has simply passed through the rolling mill and has not been assembled and punched and made into structural steel will be about \$6 per ton; and, as I understand the Senator from Iowa, the difference in the classification as to the perfected structural steel, which has passed beyond the mere process of rolling, will result in an increase of that duty to \$14 a ton, thus placing the duty at \$8 a ton above that fixed by the House provision, which is three-

tenths of a cent per pound, or \$6 per ton. Is that the Senator's understanding?

Mr. CUMMINS. Assuming that the product itself is valued at \$30 per ton, the conclusion stated by the Senator from Nevada is right.

Mr. NEWLANDS. My impression is, to illustrate, that structural steel ready for buildings is worth in San Francisco \$55 a ton, and that the freight is \$15 a ton. So it makes \$40 a ton, and it would raise the duty above that fixed by the Senate.

Mr. CUMMINS. I stated that structural steel, in this form, as I understood it, was worth more than \$30 a ton anywhere.

Mr. SMOOT. The record shows that the average ad valorem is 1.4, which would be \$28 a ton, as quoted by the Senator from Iowa.

Mr. CUMMINS. But with the change in the paragraph as made by the committee this morning, the amendment that I had prepared can not be offered at this moment; and therefore, if I remain of my present mind, I shall vote for the paragraph as it came from the House, because I think the duty is too high.

Mr. CRAWFORD. Mr. President, this was the suggestion I had in mind: The article under discussion, whether it is \$30 a ton or not, is excluded from this paragraph now. The rate here will be three-tenths of a cent per pound. What is excluded comes under another paragraph, with which we can deal when we reach it. So, it seems to me we ought to accept the suggestion of the chairman of the Finance Committee.

Mr. CULBERSON. Mr. President, I have been out of the Chamber for a few moments, necessarily, and possibly what I am about to ask has already been before the Senate. But I will ask the Senator from Rhode Island the necessity or the reason for reclassifying this product, which seems to have been materially changed, so as to include a less finished form of product than in the original amendment?

Mr. ALDRICH. There has been some time spent in the discussion of that proposition. Perhaps the Senator from Texas was not present.

Mr. CULBERSON. I stated that I was out of the Chamber.

Mr. ALDRICH. The reason for this change—and it is in my mind imperative—is that structural steel is now being imported into the United States manufacturing up into buildings, practically. Take the Singer Building in New York, for instance. All the windows and all the doors and all of the inside finishing of that building were practically completed abroad, except for putting them in place, and imported into this country as structural iron and steel. That sort of thing is going on not only on the Atlantic but on the Pacific coast, and there are very large importations of structural iron or steel all the time. In one year 139,000,000 pounds were imported, at five-tenths of a cent per pound, which is substantially the advanced rate which would be given to manufactured products under this paragraph as it now stands. We are reducing the duties upon iron and steel products in this bill nearly one-half; and I desire to place on record now my grave apprehension that we may be doing a great injury to this enormous industry in this country. The disposition on the part of foreign manufacturers to dump their products upon this country whenever they have an excess and whenever the market is in such condition that they can do it profitably is such that this is liable, in my judgment, to place a very great and serious injury upon this great industry in the United States. If it is proposed here to perpetuate the practice of allowing the manufacturers of structural steel in Germany and Belgium to bring over to this country finished buildings, where it is only necessary to put them in place, at the rates imposed upon the raw product, upon the structural iron of which these buildings are built, then it is proposed to do a very great injustice to the manufacturers of steel and iron in the United States.

Mr. CLAPP. I wish to ask a question for information.

Mr. ALDRICH. Certainly.

Mr. CLAPP. Do I understand the chairman to say that if we leave the amendment as the committee has it, it leaves the duty upon what we may call, in this debate, the "finished product" as it is under the old law?

Mr. BEVERIDGE. No; it reduces it, does it not?

Mr. ALDRICH. That is a matter of calculation.

Mr. CLAPP. Approximately.

Mr. ALDRICH. Approximately.

Mr. BRISTOW. I should like to inquire what will be the duty on structural steel in the completed form under this provision?

Mr. ALDRICH. Forty-five per cent ad valorem, the same as all other manufactures of iron and steel. I ask that the paragraph may be agreed to.

Mr. SMITH of South Carolina. Mr. President, respecting structural steel of all kinds, I find in the hearings before the

Ways and Means Committee of the House on this schedule some testimony from Mr. Carnegie. When approached as to the question of steel manufactures in America, he said what I shall read:

Mr. COCKRAN. We would not only be protected against any arbitrary advance in this country, but against any arbitrary exaction—

Mr. CARNEGIE. I am glad you asked that.

Mr. COCKRAN. I want that clear.

Mr. CARNEGIE. My opinion is, and I have stated it over and over again, that if I did not think this was true I would not be prepared to favor a tariff taking it all off at once. My opinion is that the American steel industry is on such a foundation that even if the tariff were taken off I do not believe that any foreign steel rails or steel of any kind would come in here to any extent, gentlemen, now.

The VICE-PRESIDENT. Is there objection to agreeing to the paragraph as amended? The Chair hears none.

Mr. NEWLANDS. Mr. President, as I understand the proposed action of the Senator from Rhode Island, it is simply to restore the duty to the duty fixed by the House, but it leaves the new classification imposed by the Senate committee still standing, and the result of that new classification will be that whilst the duty on merely rolled steel will be \$6 per ton, the duty on structural steel, which has been completed by assembling and puncturing, will be \$14 per ton if the value is \$30 per ton and \$16 per ton or more if it is \$40 per ton. So this classification means a very substantial increase in the duties fixed by the House upon the perfected structural steel and a very substantial increase upon the duty fixed by the Dingley Act.

Now, then, the Senator, as his justification for that increase of duty, insists that foreign producers are importing into this country structural steel, not simply the rolled steel, but the perfected steel, the assembled and punctured steel, ready to be put in buildings, with the holes all ready for riveting and everything of that kind, so that but little labor will be spent in the arrangement of that structural steel in the building itself in this country; and he insists upon it that these imports have been increasing largely and that their tendency, of course, is to displace so much American labor as has heretofore been engaged in the assembling and the puncturing of the steel. From the protective standpoint that argument is conclusive so far as it goes, provided the price charged by the American producer of the perfected structural steel is a reasonable price.

But I assume that that price has not been a reasonable price and that it has been so high as to encourage the foreign producers of perfected structural steel to introduce it into this country. I suggest that the best way of preventing the foreign importations of this perfected structural steel is to lower the price of the domestic steel. So far as the price of the domestic steel is concerned, I have occasion to say that in San Francisco during the period of construction the price of structural steel was uniformly about \$55 per ton, and that the cost of freight was about \$15 per ton, leaving the cost of the perfected structural steel at the rolling mills about \$40 per ton.

The Senator from Iowa says he understands the price is now \$30 per ton, but there seems to be some uncertainty about that. I believe that recently—so it is currently reported in the newspapers—there has been a reduction in the price of perfected steel, both the steel used in mills and the steel used in structures, and that that has been the result of the competition of the independent producers. If, as a matter of fact, within a year or a year and a half the price of structural steel at the factory in this country has been diminished from \$40 a ton to \$30 a ton, it will doubtless prevent all importations of rival steel in Europe. But as to that we have no exact information. I should like to ask whether there is anyone in the Senate who can give the present price of perfected structural steel, assembled and punctured, at the factory. I would ask the Senator from Pennsylvania [Mr. OLIVER], who has information upon this subject, as to what the price of perfected structural steel—that is, steel that has been assembled and punctured at the factory—is to-day as compared with a year ago?

Mr. OLIVER. I understand there is a difference of something like \$8 per ton between the price now and the price a year ago.

Mr. NEWLANDS. What is the price now, may I ask?

Mr. OLIVER. The price of fabricated steel, I think, runs about \$30 a ton, or something like that, perhaps a little more, perhaps a little less. The price of imported unfabricated structural material free on board at New York is 1 cent per pound. The cost of fabricating that material in this country runs from \$8 to \$12 a ton. The cost of fabricating it in Germany will run just about half that, from \$4 to \$8 per ton. The difference between fabricated structural steel and unfabricated, as it comes from the rolls, is altogether labor, with the exception of the cost of the rivets to put it together.

The differential between the cost of rolled structural material and fabricated material is absolutely, entirely labor, except the small amount that the rivets cost. As the labor over there confessedly costs less than half what it does here, this duty of 45 per cent is certainly not extortionate.

I will say, Mr. President, that one of the most notable buildings that has been erected in this country in the last two or three years—the Singer building, in New York—I am informed was furnished, from first to last, with steel brought over to this country, thereby depriving our manufacturers and our laborers of that much employment. I think this differential of 45 per cent is rather less, if anything, than it will cost, particularly as the specific duty on the raw structural steel, at three-tenths of a cent per pound, is, in the opinion of all who have advised me, utterly inadequate for protection.

Mr. NEWLANDS. Mr. President, I will ask the Senator from Pennsylvania another question, and that is whether the production of the perfected or fabricated structural steel, as he calls it, at \$30 per ton gives a profit to the mill?

Mr. OLIVER. I can not answer that, Mr. President, but I would say not. I am not conversant with the figures.

Mr. NEWLANDS. Is the Senator, then, of the opinion that the mills of the country, in lowering their price from \$40 per ton for the fabricated steel at the mill to \$30 per ton, the present price, have reduced it to a price that is not profitable?

Mr. OLIVER. Generally speaking, I would say that fabricated steel at \$30 per ton would net the manufacturer a loss. That would be my opinion, but it is only an opinion.

Mr. NEWLANDS. Then, as I understand the Senator, the entire business—

Mr. CULBERSON. Mr. President—

The VICE-PRESIDENT. Does the Senator from Nevada yield to the Senator from Texas?

Mr. NEWLANDS. Certainly.

Mr. CULBERSON. Will the Senator allow me, in connection with what he is saying, to ask the Senator from Pennsylvania a question? As the chairman of the Committee on Finance has stated, the amendment proposed by the Senate committee fixes an ad valorem tariff of 45 per cent under paragraph 119. I will ask the Senator from Pennsylvania if, in consideration of the minimum freight charge of \$2.50 a ton, or about an average of a cent per pound, 20 per cent ad valorem would not be sufficient to provide for the difference in the cost of production between Europe and the United States.

Mr. OLIVER. Decidedly not, Mr. President, for this reason: The freight from the German mills to many of the points of consumption in the United States is less than from the Pittsburgh mills to the same points of consumption, in addition to which the difference in labor cost alone, I am absolutely certain, is more than sufficient to justify the ad valorem rate of 45 per cent. Do I make myself clear?

Mr. CULBERSON. I understand the Senator; but my information is that the minimum freight cost between the countries is about \$2.50 a ton; and if that is taken into consideration an ad valorem of 18 or 20 per cent would more than pay the difference between the cost of production in the two countries.

Mr. CUMMINS. Mr. President—

The VICE-PRESIDENT. Will the Senator from Nevada yield to the Senator from Iowa?

Mr. NEWLANDS. I will state to the Senator from Iowa that I propose to yield the floor in a few moments.

Mr. CUMMINS. I merely wish to ask a question of the Senator from Pennsylvania.

Mr. NEWLANDS. Certainly; I yield for that purpose.

Mr. CUMMINS. The Senator from Pennsylvania has said more than once that the protection we now have upon this commodity is inadequate. I should like to know how he explains the fact that during the year 1907 we exported nearly \$7,000,000 worth of this commodity and sold it in competition with the world, in the markets of the world, if our protection is inadequate?

Mr. OLIVER. I can not explain that, Mr. President, except upon the theory that perhaps by reason of an excessive desire to keep the mills running full the manufacturers in all probability cut the prices, perhaps below the cost of manufacture. I know that that is done sometimes. I know that I myself have done it. I have in my career as a manufacturer sold goods frequently below the actual cost of production in order to supply the surplus that would keep my establishment running full, and thereby enable me to give employment to all the men for whose well-being I felt myself responsible, and at the same time lower the cost of production to such a point as to enable me to meet all kinds of competition.

Mr. NEWLANDS. Mr. President, I wish to call attention to the fact—

Mr. TILLMAN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Nevada yield to the Senator from South Carolina?

Mr. NEWLANDS. Certainly.

Mr. TILLMAN. I should like to ask the Senator from Pennsylvania what he would do with the statement of Mr. Carnegie, which I read yesterday, and which I will read again. It is a quotation from the report of the United States Steel Corporation. It is Mr. Gary's report to his directors, in which he said that the steel trust showed \$158,000,000 of profit for the year, averaging \$15.50 on every ton of steel he sold. If that trust can make \$15.50 profit, what is the use to come in here and talk about the difference between the labor cost in Germany and here?

Mr. OLIVER. I am not here as the defender or the advocate of the United States Steel Corporation. I feel that I ought to stand up for all manufacturers of all commodities in this great country and to keep the men as busily employed as possible. I particularly represent, Mr. President, the great body of actual independent manufacturers in this country. There are more iron and steel industries in the State of Pennsylvania which are absolutely and entirely independent of the steel corporation—I not only say more in number, but a far greater proportion of the industries are owned outside of the steel corporation than in it.

There is a gentleman sitting in the galleries here to-day who represents a great concern established sixty years ago by his father, another great ironmaster of this country, which to-day is running under management of the sons and grandsons of those two men, and which has an invested capital of over \$30,000,000. Their property is big enough and valuable enough to have justified them, within a few months, to go out and bond their works for \$15,000,000 in order to extend their plant. A part of their extensions consist in an immense tin-plate plant, which they are about to establish in direct competition with the United States Steel Corporation.

There is another establishment in my own neighborhood which has been built by citizens of Pittsburg within the past few years, who have invested \$10,000,000 of money in it. They are absolutely independent of and competitors of the United States Steel Corporation. As to the independent steel manufacturers of this country, their name is legion, and we are standing up for their interests, not for that great aggregation of capital which appears to be a target for the shots of the gentlemen who wish to reduce duties at this time.

Mr. TILLMAN. Will the Senator—

Mr. NEWLANDS. I will yield the floor in a few moments. I should like to finish what I have to say.

The VICE-PRESIDENT. The Senator from Nevada declines to yield further.

Mr. NEWLANDS. Mr. President, it seems by the Senator from Pennsylvania, who has more knowledge of this subject than most of us, that the price of fabricated structural steel, ready to be put in a building, has been reduced from about \$40 per ton to \$30 per ton; and it also appears by his statement that the cost of turning steel as it comes from the rolling mill into structural steel is \$8 per ton, and that the foreign cost is one-half of that, or \$4 per ton.

Now then, upon the basis of the protective policy the Senator from Rhode Island would be justified in adding in addition to the duty imposed upon the raw steel, if I may term it such, as it has passed from the rolling mill, a duty sufficient to give \$4 per ton, namely, the difference between the foreign cost of production of fabricating the steel and the American cost of production. But in place of that he proposes to give us a duty of \$14 per ton. Now, \$4 a ton added to the \$6 a ton imposed upon the steel that has passed through the roller would make only \$10 per ton of justifiable duty; and yet under the suggestion of the Senator from Rhode Island the duty is to be made \$14 per ton.

I should like to inquire what the parliamentary status is regarding this particular paragraph. The Senator, I understand, has withdrawn the amendment increasing the duty upon structural steel from 3 cents per pound or \$6 per ton, imposed by the House, to four-tenths of a cent per pound or \$8 per ton, but he leaves this classification. I should like to know what action is necessary for us. It is still, I understand, necessary for us to defeat, if we can, this amendment in order to prevent the new classification from going into operation, which would practically increase the duty upon structural steel from \$10 a ton imposed by the present law to \$14 a ton.

The VICE-PRESIDENT. There is no pending amendment. Without objection, paragraph 119 will be agreed to.

Mr. NEWLANDS. I understand the Senator has simply withdrawn his amendment increasing the duty from three-tenths of a cent to four-tenths.

Mr. LODGE. The other amendment was agreed to.

Mr. NEWLANDS. When was the other amendment agreed to? The VICE-PRESIDENT. On the first reading.

Mr. ALDRICH. If any Senator desires the yeas and nays taken, I am quite willing.

Mr. LODGE. The Senator from Nevada can move to reconsider the vote by which the amendment was adopted.

Mr. NEWLANDS. I understand that that can be done at any time hereafter.

Mr. ALDRICH. Yes.

The VICE-PRESIDENT. Without objection, paragraph 119 is agreed to.

Mr. TILLMAN. Mr. President, I desire to present some statements for the consideration of the Senate. Probably most Senators have read them, but they have not appeared in the RECORD that I know of. I want to have the comments of the Senator from Pennsylvania [Mr. OLIVER] on them. On page 1783 of the House hearings, Mr. Carnegie having been summoned and appearing as a witness, made this statement—

Mr. ALDRICH. That has already appeared in the RECORD, I will say to the Senator.

Mr. LODGE. It was read by the Senator's colleague this morning.

Mr. TILLMAN. I do not know how much he did read.

Mr. CULBERSON. It can be read again.

Mr. TILLMAN. It can not appear too often, and may finally make its way into the minds of the American people so that they will understand how they are being robbed by the tariff.

Mr. LODGE. Mr. Carnegie's statement might be inserted every morning at the beginning of the debate.

Mr. TILLMAN. It is too long for that. If the Senator wants to cover up Mr. Carnegie's flow of language and wit and humor—

Mr. LODGE. No; I want to save the time of the Senate and not have it read two or three times a day.

Mr. TILLMAN. The Senator is very urgent because I want to put in a few words from Mr. Carnegie; but I am not going to be rushed off my feet by the Senator from Massachusetts.

Mr. LODGE. Certainly I had no thought of entertaining such a forlorn hope.

Mr. TILLMAN. Then, do not attempt to bulldoze me in that way.

Mr. Carnegie had already made the statement that the industry needed no protection. Somebody has read that here. Here is what I want to get to. He speaks of Judge Gary's solicitude for the independent steel companies like our friend over there who has just discussed these independents who are put in here as a pretense for continuing this duty:

But the solicitude of the Judge for his competitors, or those who should be his competitors, is sublime.

It reminds me of one of *Aesop's* fables, where the monkey wanted to rake the chestnuts out of the fire, but put that duty upon the cats. And that is what Judge Gary is trying to do here. When he told you that his vast company could do without a tariff, that was the judge who spoke. But when he introduced the smaller concerns, that was the lawyer, and he is equally eminent in both.

Judge Gary is the ablest man in that business. If I had followed the advice which parties gave me, to gain control of the United States Steel Company when its prices were at \$8 or \$9 a share, which I could easily have done, I should immediately have said to Judge Gary: "Judge, I want you to remain with me; you are the ablest manager I know;" and I would have doubled his salary, or, better still, I would have followed my practice and made him a partner. The judge spoke the truth, just as Schwab spoke the truth when he told you the cost of our steel rails, which was \$15, against your \$22; but it was the "judge" who spoke, as I said before, but when he pities the other people, it is the "lawyer;" and the judge is equally eminent in both. I can describe him best by a Scotch term that comes to me, and if there was a Scotchman here I would speak it, but it is not translatable, because I can not find a synonym. The judge is what the Scotch call a "pawky chiel."

In the preceding page he says the judge appeared in a dual capacity there. In one he was the agent of the steel company and spoke the truth; in the other he was using his shrewdness as an attorney in trying to befuddle and cover up the situation.

Mr. Carnegie said further:

What is best for the country? Remember, I am one who believes that the total abolition of the duties on steel they make will not affect one of these companies to any serious extent.

Again he says:

Now, I have said he can not figure cost, anyway. That is the same gentleman who told you he had no agreement with other steel com-

panies; that he could sell where he pleased, to whom he pleased, and as much as he pleased—

He was one of those independents whom the Senator from Pennsylvania is so anxious to protect—

Well, Mr. Chairman, if you had asked him if he had not a sort of understanding, which had the same result as the agreement, he would have had to tell you that he had; and I do not like witnesses to talk in a double sense. We have not only to tell the truth, but we have to tell the whole truth, and I tell it.

Now, Mr. Carnegie has obtained through favoritism in this Congress and its predecessors such a grip upon the American market that he has more millions than I presume the Senate, taking the whole bunch of us, could muster in our own names of right, although there are a great many wealthy men here. He has given away more millions than all the southern Senators here own, ten times over, I expect. Where did he get it? He got it out of my pocket, because I buy nails, steel wire, wagons, and so forth. He got it out of every man's pocket in this country. How does he get it? He gets it through acts of Congress which allow him to collect this duty out of the consumer, because he adds the duty to the cost price of \$15.50, and we are helpless to do more than protest.

The VICE-PRESIDENT. Does the Senator from Rhode Island desire that we shall now take up the paragraphs passed over yesterday?

Mr. ALDRICH. Yes.

Mr. BACON. Has paragraph 119 been submitted to the Senate?

The VICE-PRESIDENT. That paragraph has been submitted to the Senate and has been agreed to.

Mr. BACON. I did not so understand. I did not understand that it had been submitted to the Senate.

The VICE-PRESIDENT. The Chair will submit it again; but the Chair did submit it, and there was no objection to agreeing to it.

Mr. LODGE. It was submitted three times.

Mr. BACON. I am not making an issue with the Chair.

The VICE-PRESIDENT. The question is on agreeing to paragraph 119 as amended.

Mr. BACON. Mr. President, I simply desire to ask the Senator from Rhode Island a question. His words, of course, carry great weight, necessarily and properly. The Senator from Rhode Island said he feared that the proposed reduction in the steel schedule would work great injustice to those engaged in the manufacture of steel. I desire to ask the Senator from Rhode Island if his apprehension is that the injustice will be done to the steel company by reason of the fact that the reduction in the rates which are proposed will result in reducing the price of the product to the consumer? Is that the avenue through which the injustice will reach the producer?

Mr. ALDRICH. That is a question a little too complicated to my present state of mind.

Mr. BACON. I will put it a little more simply, then, because I can not give the Senator entire credit for sincerity and candor in that reply. There is no man in this Chamber, and, I presume, very few on the whole North American Continent, who have a clearer view as to the intricacies of the tariff than the Senator from Rhode Island. I do not pretend to approach even in sight-seeing distance of him in that regard, and for that reason I appeal to him for the information.

I do not know that I can express myself any more clearly, but I will try. The Senator said he apprehended that the reduction proposed in the steel schedule in this bill in the rates of tariff would result in great injustice and injury, I think he said, to those engaged in the production of steel. The question which I desire to ask the Senator, and which I have attempted to ask him, is this: Is that apprehension on the part of the Senator based on the belief that the reductions proposed will result in cheaper steel to the consumers in this country?

Mr. ALDRICH. No; not exactly that. My apprehension was that the steel producers of Germany and Belgium might at times throw into this country their surplus stock and sell it for whatever price it would bring here and put out of employment a large number of people engaged in this country in the same industry, and thus give to foreign labor the business which ought to be given to American labor.

Mr. BACON. The apprehension of the Senator is, then, the effect on labor and not the effect on the owners of this enterprise?

Mr. ALDRICH. The effect upon labor must affect the employer, of course.

Mr. BACON. Very well. Then that brings us to the question. The apprehension of the Senator, then, is that by reason of the competition which will result from the introduction of foreign products the price will be lowered to the consumer?

Mr. ALDRICH. No; I will not put it in just that way. I prefer to put it in my own way, if the Senator will permit me.

Mr. BACON. Very well.

Mr. ALDRICH. I say—and that is the same rule which applies to all protective duties, and there is no question about it—that protective duties are levied for the benefit of giving employment to the industries of Americans, to our people in the United States and not to foreigners. That is the whole question about it. Anything which invades that market, which we claim belongs to the American people by the highest possible right, especially if it invades it in a way which is not, perhaps, legitimate, is an injury to the American workman and, therefore, to American industry.

Mr. BACON. Yes; but I want the Senator from Rhode Island to answer my question, whether or not he thinks the competition which will result from the introduction of the foreign product will or will not lower prices to the consumer?

Mr. ALDRICH. Mr. President, that question is at the bottom of the whole protective system.

Mr. BACON. I want to know as a question of fact. I am not talking about what it invades.

Mr. ALDRICH. It is not a question of fact, but it is a question of theory; it is a question of opinion, and nothing else.

Mr. BACON. If the Senator declines—

Mr. ALDRICH. It is a matter of speculation, at which the Senator from Georgia is a past master.

Mr. BACON. No; I am not a past master in anything which is connected with the tariff.

Mr. President, I do not suppose that anybody doubts the fact; but the Senator from Rhode Island declines to answer the question.

Mr. ALDRICH. I do not decline to answer the question.

Mr. BACON. Then, I will repeat the question, and ask the Senator to answer it.

Mr. ALDRICH. I will answer the Senator's suggestion. I say that anything which brings about an injurious reduction of prices in the United States, which puts American laborers out of employment and reduces the purchasing power of the American people, is not only injurious to the interests primarily affected, but is injurious to the people of the entire country.

Mr. BACON. Very well; but still that does not answer my question.

Mr. ALDRICH. I think I have answered the question.

Mr. BACON. The question I am asking the Senator from Rhode Island is not as to what the effect will be in its injury simply, but the direct cause of injury; whether or not that injury is to result from the fact that by reason of competition the consumers of structural steel in this country will get their structural steel cheaper than they are now getting it; and that, as a necessary complement of that proposition, as the consumers get their steel cheaper, the producers must receive less for it. That is the proposition.

Mr. ALDRICH. Mr. President, take a supposititious case of a man who is erecting a steel building in New York, who desires to have that work done, if you please, by the product of American industry. Some foreigner finds that he has a surplus stock and he comes over here and bids lower than any American can bid for the work. That consumer possibly gets a lower price—I have no objection to conceding that—but what is the general effect of it? One man gets a lower price to-day; but suppose the whole American people get lower prices than the article can possibly be made for in the United States, does the Senator, then, think that the consumers, as he calls them, are benefited? Suppose you destroy absolutely the iron and steel industry of the United States; are the American consumers to be benefited by that? Does the Senator suppose that prices would be kept down or that the minute that those foreign gentlemen had control of the American market that the American consumer would not then have to pay more than he is now paying? I think so.

Mr. BACON. Mr. President, I decline to accept the accompanying suggestion of the Senator from Rhode Island that it would result in the destruction of the steel industry. We have every reason to believe that it will not result in the destruction of the steel industry. The fact is that if the importations were limited, as the Senator from Rhode Island suggests, to the amount which might be found as a surplus upon the hands of the German or the English manufacturers, it would be so very small in comparison to the gross product in this country as not to affect prices.

So, Mr. President, the real apprehension is not as to the "dumping"—using a favorite term of those who advocate the protective tariff—the great apprehension is not in the "dump-

ing" here and there of a little surplus, but the real apprehension is that by lowering the rate there may be, not simply a driving out of the market of the American producer—not to that extent at all—but that there may be such an encouragement to importations as will not only bring revenue to the Government, but succeed in lowering materially prices to the consumers of the country, which is the great end that the revision of the tariff, so far as I have any concern in it, is designed to accomplish.

There is no reason to believe, Mr. President, that the iron industry or the steel industry is one which stands upon such a narrow edge that the slightest interference with it is going to topple it over into the abyss of destruction and ruin. On the contrary, all the information we have is that there is no more prosperous industry in the United States, if in the whole world, than the industry of the iron and steel people of the United States. The vast colossal fortunes which have been piled up prove that. The very figures given here to-day by the Senator from Pennsylvania [Mr. OLIVER] of the vast millions that men of his acquaintance are about to invest in this, that, and the other industry prove the vast—

Mr. ALDRICH. Is that a matter of regret to the Senator from Georgia?

Mr. BACON. By no means whatever. I am not regretting it, except in so far as—and I do regret it in this respect, and I am glad the Senator has asked me this question—I do regret it in so far as there has been a condition of affairs in this country which has enabled those men who have piled up these colossal fortunes to make those fortunes out of an undue exaction by extortionate prices from the consumers. I regret it to that extent. I do not regret, Mr. President, the prosperity of those who have engaged in the iron and steel industry; but I do regret the burden which has been placed upon the people, in order that those colossal dividends and revenues should be derived from the iron and steel industry.

But, Mr. President, what I was saying in that regard was merely by way of illustration. I was replying to the inquiry of the Senator, whether or not I would be willing for a condition of affairs which would wreck and ruin all these industries, followed by the usual question as to whether or not, when they were wrecked and ruined, there would not be a corresponding raising of prices by those who would thus be given the monopoly in other countries, and who would take advantage of the opportunity to extort from us. It was following that suggestion, Mr. President, and not by way of inveighing against or finding objection to the amassing of fortunes in the prosecution of this business, except for the very reason which I have given; it was for that reason that I was alluding to the fact that those industries are not in a precarious position. They are in a position of absolute security against all such possibility. They are in a position which the best authorities think is such that, even if all tariffs and all restrictions were removed, they would still have the market.

Mr. President, it does seem to me that it is a most serious question in this day, when everything which the consumers have to use is at such exorbitant prices—everything connected with the iron and steel industry; not simply the structural steel, but the steel which enters into every business of life—every use of those things upon which we must necessarily depend for our comfort. In all of them we have to use the products of the steel industry, and all of them are to-day a burden upon the people.

Of course we are only now speaking of structural steel, but when it is proposed that there shall be this great difference in the duty upon structural steel as it is rolled and structural steel when assembled and made ready for use in a building, I think that it is time that we should see whether this is a duty which is too high or whether it is required for any legitimate purpose. The effect of the duty, Mr. President, it seems to me, would be to absolutely bar all importations. I think I am correct in saying that, as compared with the product of the United States, the importations are now extremely small. Am I not correct in that, I will ask the Senator from Rhode Island? That may be, in the concrete, large; but as compared with the gross, immense product of the United States, the importations of structural steel into the United States are very small.

If the instance given by the Senator of the introduction of steel completed in its form, out of which the Singer Building has been constructed, is one which gives rise to apprehension on the part of those who believe in the protective system that the foreign product is going to usurp the market of the United States, that is a very serious consideration from their standpoint; but they have told us of only one building. Is there any reason to believe that even under the present rates and the present classifications there will be such importations from abroad as will yield a very comparatively small revenue to the

Government on account of such importations; and is it not true that, with the reclassification and with the result of the high duty which will accompany it, it will be an absolutely prohibitive duty, and that the Government will get no revenue from it at all?

The VICE-PRESIDENT. Without objection, paragraph 119 is agreed to.

Mr. BRISTOW. Mr. President, I want to inquire of the Senator from Rhode Island in reference to paragraph 119. As I understand the figures given by the Senator from New York [Mr. ROOR], the duty under the present law is about 36.75 per cent.

Mr. ALDRICH. The duty is five-tenths of a cent a pound, to be accurate.

Mr. BRISTOW. It aggregates, so I am advised—and I think it is correct—about 36.75 per cent.

Mr. ALDRICH. That depends upon the value of the product when it is imported.

Mr. BRISTOW. Yes. The figures were made from the value given here. Now, that part of these articles that have been exempted from the provisions of this paragraph—that is, these beams, girders, and so forth, after assembled, manufactured, or advanced beyond the hammering, rolling, or casting state—take a duty of 45 per cent, or an increase of 8½ per cent over the prevailing duty on those articles.

Mr. ALDRICH. Under any proper construction of the law, they should have paid about 45 per cent under the Dingley Act. There is no proper construction of law, in my judgment, under which those articles would not have been made dutiable at 45 per cent under the existing law.

Mr. BRISTOW. As to those that have not been advanced to this state of hammering, rolling, and so forth, the duty has been decreased to 22½ per cent. I should like to know, if the Senator from Rhode Island has the information available, what per cent of these articles are used in the advanced state which has been exempted from the provisions of this paragraph, and what per cent are used in the state which is still covered by the provisions of this paragraph, in the ordinary commercial use?

Mr. ALDRICH. Does the Senator mean what percentage of articles of this nature were imported in 1907?

Mr. BRISTOW. What per cent of the articles included in paragraph 119 are used in the advanced state which has been exempted from the provisions of this paragraph, and what per cent are used in the state still covered by the provisions of the paragraph?

Mr. ALDRICH. In this country?

Mr. BRISTOW. Yes.

Mr. ALDRICH. They are all ultimately going into the finished product, of course. Nobody uses structural steel in its crude condition, I assume. I never heard of a case of that kind.

Mr. TILLMAN. Will the Senator from Kansas allow me?

The VICE-PRESIDENT. Does the Senator from Kansas yield to the Senator from South Carolina?

Mr. BRISTOW. Certainly.

Mr. TILLMAN. I want to ask the Senator from Rhode Island whether or not the striking out of the words in the House bill, "whether plain or punched or fitted for use," and the substitution of the words in italics, which I suppose are to remain, does not absolutely nullify the House purpose of reducing the duty? In other words, can you use these things unless they are punched?

Mr. ALDRICH. They can be punched in this country with American labor, and they can be fitted in this country.

Mr. TILLMAN. Is that done by hand or by machinery?

Mr. ALDRICH. Largely by hand; almost entirely by hand. The punching may be done by machinery.

Mr. TILLMAN. Are you going to cause a man to ship these things somewhere in the country and pay the freight in order that we may get it into a machine and punch it?

Mr. ALDRICH. No; they punch it on the ground.

Mr. NEWLANDS. Mr. President, I think the Senator—

The VICE-PRESIDENT. The Senator from Kansas has the floor. Does he yield to the Senator from Nevada?

Mr. BRISTOW. I yield.

Mr. NEWLANDS. I think the Senator from Rhode Island is mistaken in saying that the puncturing is done by hand. My understanding is that the puncturing is always done in machine shops. The riveting is done in the building, and is done by hand, but all the holes are punched at the factory before the steel is put in the building.

Right there, if the Senator from Kansas will permit me, in order to clarify the situation, I wish to ask the Senator from Rhode Island whether the effect of his amendment is not this:

Under the present law the duty upon both fabricated and unfabricated structural steel is \$10 per ton?

Mr. ALDRICH. The duty was not \$10 under existing law. Any fair or reasonable construction of the existing law would have made these articles, as I have stated over and over again, dutiable at 45 per cent ad valorem as "manufactures of iron and steel not otherwise provided for." No man ever had an idea that any such construction of that paragraph relating to structural iron and steel would be made, or that anybody would ever think of bringing completed buildings into this country as structural iron or steel.

Mr. TILLMAN. Is that due to the work of the appraisers?

Mr. ALDRICH. That is due to the misconstruction of the law itself by the courts, and not by anybody else. The Senator from Nevada has had this matter explained to him at least a dozen times, I think, and I hope that he now understands my own view about it.

Mr. NEWLANDS. Well, Mr. President—

The VICE-PRESIDENT. Does the Senator from Kansas yield further to the Senator from Nevada?

Mr. BRISTOW. Yes.

Mr. NEWLANDS. The Senator from Rhode Island states that the present status is that both fabricated and unfabricated structural steel pay \$10 per ton duty.

Mr. ALDRICH. Under an erroneous construction of the court.

Mr. NEWLANDS. That is true; under a construction placed by the court upon the statute which the Senator says is erroneous. The present status, then, is that both are taxed \$10 per ton. Now, the action of the Senate committee would so result that as to unfabricated steel—the steel which has simply been rolled and has not been assembled and punched—the duty is reduced to \$6 per ton; but as to fabricated steel—the steel that has been assembled and punched—the duty is increased to \$14 per ton. Did the Senator hear my statement?

Mr. ALDRICH. I think I have heard it at least a dozen times, and the Senator ought to understand my position by this time.

Mr. NEWLANDS. I do not think I have made this statement and put to the Senator the question relating to this particular item until now. I was stating that the effect of the Senate amendment is to reduce the duty on unfabricated steel from \$10 per ton to \$6 per ton and to increase the duty above the duty now, according to the construction of the court, chargeable against fabricated steel from \$10 per ton to \$14 per ton. Am I correct in that statement?

Mr. ALDRICH. The Senator is not correct.

Mr. NEWLANDS. Very well, then; I should like to be corrected. I am afraid that I am trespassing too much upon the time of the Senator from Kansas [Mr. BRISTOW], but I should like to know in what respect that statement is defective.

Mr. ALDRICH. If this paragraph should be adopted as it stands, it would impose a duty upon unfabricated structural steel, to use the Senator's own language, of \$6 per ton, and upon that fabricated 45 per cent ad valorem—not \$14 per ton, but 45 per cent ad valorem—which is the same rate that Congress clearly intended should be imposed upon that article.

Mr. NEWLANDS. I would ask, what does 45 per cent ad valorem amount to per ton?

Mr. ALDRICH. That is a mathematical question, which I trust the Senator from Nevada can answer as well as myself.

Mr. NEWLANDS. The Senator has heard the statement that the value of the fabricated steel is \$30 per ton, and that it was, a year ago, \$40 per ton.

Mr. ALDRICH. That is, in the United States.

Mr. NEWLANDS. In the United States.

Mr. ALDRICH. That has nothing to do with the foreign value.

Mr. NEWLANDS. The duty is collected upon the valuation abroad, is it not?

Mr. ALDRICH. If the Senator has not arrived at that state of knowledge in regard to tariff matters, I am a little puzzled to go on with the conversation.

Mr. NEWLANDS. I do not profess to be very well informed about tariff matters, and I would be glad to be instructed by the Senator from Rhode Island at any time regarding the facts. I will ask the Senator from Rhode Island if he is able to state the foreign price of fabricated structural steel, ready to put in a building?

Mr. ALDRICH. It depends entirely upon the amount of labor that is put upon it. It may be \$1 a ton, it may be \$10 a ton, or it may be \$20 a ton. That is a question which no man can answer.

Mr. NEWLANDS. And yet the Senator does not hesitate to affirm my statement that, as to the domestic fabricated steel, the price is \$30 per ton.

Mr. ALDRICH. I have made no statement about it. I assume the Senator from Pennsylvania [Mr. OLIVER] is correct.

Mr. NEWLANDS. I should like to know, then, how much less is the value of the fabricated steel on the outside than the value of the fabricated steel on the inside, so that we can see just what amount of duty per ton would be paid upon such steel.

Mr. ALDRICH. I stated at the beginning of this discussion, the beginning of my explanation, that the Belgium and German price of structural steel was in the neighborhood of \$20 per ton.

Mr. NEWLANDS. Twenty?

Mr. ALDRICH. Twenty dollars per ton. Forty-five per cent of that is \$9 a ton, or forty-five one-hundredths per cent a pound. I am willing to give the Senator that information, if that is any help to him.

Mr. NEWLANDS. Then, I understand the Senator to contend that the 45 per cent valuation would give exactly the same duty as imposed now by the Dingley Act, which imposes a duty of five-tenths of a cent per pound, or \$10 a ton?

Mr. ALDRICH. Not exactly the same.

Mr. NEWLANDS. Or rather it is a little less. Am I correct, that upon the Senator's statement the foreign price of fabricated steel is \$20 a ton, and under the amendment 45 per cent would be imposed upon it, making a duty of \$9 a ton, and that under the amendment the duty will be \$1 a ton less than under the existing Dingley law? I will be very glad to know if that is the fact, and I inquire of the Senator whether it is the fact.

Mr. ALDRICH. Mr. President, if the Senator has not been advised by the discussions which have been going on for the last three hours, I am not competent to advise him.

Mr. NEWLANDS. Mr. President, it reduces itself, then, to this: That the Senator has declared that, owing to the construction of the court, this form of fabricated steel has been introduced into this country from abroad to the disadvantage of American labor, and that, therefore, it is necessary to raise the duty; and yet when we come to the computation of the factors by which we will ascertain what the duty is, the Senator seriously asserts that the effect of his amendment will be to reduce the duty upon fabricated steel from \$10 a ton to \$9 a ton. Now, I stand upon the record with the Senator upon that statement.

Mr. BRISTOW. Mr. President, I took the floor to find out, if I could, from the chairman of the committee what was the per cent of these articles used in the less finished and in the more completely finished states. I understood the chairman of the committee to state that practically none was used in the unfinished state. Am I correct in that?

Mr. ALDRICH. No; the Senator is not correct. It is impossible for anybody to say what proportion of the importations of any particular year, of 1907, for instance, were imported finished or what were imported unfinished. That is entirely without the knowledge of any man.

Mr. BRISTOW. The question was not as to importations, but as to our domestic production.

Mr. ALDRICH. Our domestic production is for the purpose of erecting buildings.

Mr. BRISTOW. Yes.

Mr. ALDRICH. It all ultimately goes into building; it may be buildings of one kind or another; it may be bridges; it may be any one of a thousand different forms of structure. It is intended for that purpose, and ultimately it all reaches there.

Mr. BRISTOW. But, Mr. President, here is the classification, and different rates of duty are fixed upon these articles. If there is not any data by which you can ascertain the amount which is used of one class and of the other, it is impossible then to tell whether this is an increase or a decrease of duty.

Mr. NELSON. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER (Mr. KEAN in the chair). Does the Senator from Kansas yield to the Senator from Minnesota?

Mr. BRISTOW. Certainly.

Mr. NELSON. It seems to me that the question involved here is very simple. The rate in the Dingley law was 36.75 per cent ad valorem. The difference between that rate and 45 per cent is 8.25 per cent; that is all the increase, while we have reduced the rate on the class of goods covered by the phrase in italics from 36 per cent to 22 per cent. "Iron not assembled, manufactured, or advanced beyond hammering, rolling, or casting," will come in at about 22 per cent, while in the finished product there is only an increase above the existing rate of the Dingley law of 8.25 per cent. Am I correct in that, I will ask the chairman?

Mr. ALDRICH. Yes.

Mr. NELSON. So that is the maximum increase.

Mr. BRISTOW. What I was trying to get at was how much of the steel that comes in at the reduced rate is used and how much that comes in at the increased rate is used—whether more of the steel is used that comes in at the lower rate or at the higher rate. You must ascertain the amount used that belongs to these classes in order to determine whether the aggregate is an increase or decrease of duties.

When I asked the amount of the first classification used, I was told practically none, as I understood the Senator. What I want to get at, if possible, is how much of this that comes in at a duty of 22 per cent do we use and how much that comes in at a duty of 45 per cent do we use. Then we can determine whether or not we are increasing or decreasing the duty on structural steel; and I think it a very important item.

Mr. BURKETT. Let me say to the Senator, in response to that inquiry, that I made an inquiry and tried to find that from some of the departments, with reference to several items, and I was not able to get that from any department. In my opinion there is not any place, unless, perhaps, at the ports of import, where they keep such track of the invoices as to show which do come in. But let me call the Senator's attention to what has been stated with reference to this particular item. It is stated by the Senator from Utah that under that paragraph large quantities came in, for example, at San Francisco during the last year. There is where foreign countries can meet us—on the Pacific coast. They can compete with us on account of the lower freight rates.

Also, the Senator from Rhode Island has suggested at least one great building in New York which has been finished with this competing structural or assembled steel, I think the words are. If the Senator will take the figures of the imports and put together what the Senator from Utah and the Senator from Rhode Island have said, he will very readily see that the very largest part that has come in under this paragraph has been that completed or assembled—if that is the right word to use—structural iron. As the Senator has just stated, and he, I take it, was acting for the committee, the committee has reduced the rate on the structural iron that is not assembled—

Mr. BRISTOW. And which is not used.

Mr. BURKETT (continuing). And has proposed to raise it on that which is assembled, so as to meet what is exactly the probable condition, that the most coming in is the structural material assembled and in form for immediate use.

Mr. BRISTOW. Mr. President—

Mr. BURKETT. But, as I have said to the Senator, I have tried on two or three paragraphs to find out exactly what portion of each was admitted, and I was not able to find out from the department. I do not know whether anybody knows.

Mr. ALDRICH. The officers of the customs can not tell. There is no such record.

Mr. BRISTOW. If it is possible to get the information, without being too insistent, I should like to get it. I do not want to impose upon the patience of the committee or of the Senate.

Mr. NELSON. If the Senator will allow me, I can readily see the difficulty that occurs to the Senator from Kansas, but there are no data, as I understand, from which we can get the exact facts from the archives of the Government. The custom-house returns do not indicate what proportion of the structural steel is assembled and what is not. They do not indicate in what condition they come here; only they are classed at that rate. That is all.

Mr. BRISTOW. Does the steel have to be assembled before it is used in the erection of a building?

Mr. BACON. Oh, yes.

Mr. BRISTOW. If it has to be assembled before it is used in the erection of a building, then the duty is 45 per cent ad valorem on importations of this steel which heretofore has been 36.75 ad valorem. Is that right?

Mr. NELSON. That is correct. It is an increase of 8.25 per cent.

Mr. BRISTOW. Then we are increasing the duty on structural steel 8.25. Is that right?

Mr. NELSON. But reducing it on structural steel not assembled.

Mr. BRISTOW. Which is not used; it can not be used, so we are told, until it is assembled. What is the use to reduce it on an article not used? If they bring it in here not assembled, to assemble it they have to send it somewhere to be riveted. That is not practical, is it? So, as a matter of fact, we are increasing the duty on the only items in this paragraph which it is practical to use. Is that right?

Mr. TILLMAN. That is a part of the hocus-pocus of the game.

Mr. BRISTOW. I should like to know if I have the proper analysis.

Mr. SCOTT. The Senator surely understands that the assembling in Europe is done by cheap labor, and this increase has been put on to protect our home labor, where it is assembled in this country.

Mr. BRISTOW. We are increasing it for the purpose of protecting home labor?

Mr. SCOTT. The Senator knows that in assembling or putting it together in Europe it is done by European labor. If we bring it over here without that, our workmen get a chance to assemble it.

Mr. BRISTOW. The Senator from West Virginia is doubtless well informed upon this matter. What is the process of assembling? After the bars are made into girders and joists, and so forth, they are assembled by riveting. Is that correct? Is not that done by a mechanical process? It is not done by hand, by the blacksmith?

Mr. BURKETT. I think the Senator ought to notice that all of this paragraph is not on beams, I beams, and things like that, but it is all forms of structural shapes. The illustration the Senator from Utah cited was that an agent of a foreign manufacturer of window frames and door frames of steel came here and made estimates, and went home and completed those forms entirely. He then simply brought them in and set them in place. Everything was done over there. It is not all beams. I do not know, but I would imagine, just from what I know of the structural business, that very few of the imports were of beams and such articles as the Senator refers to. It is the higher class of structural steel, and, as is suggested to me by a Senator, the average import price is such as to indicate probably the higher forms of structural steel.

Mr. BRISTOW. It goes through the same process in this country as in any other country in order to prepare it for placing it in the building. Now, what I have been trying to find out is whether this reclassification here takes those articles which are prepared for placing in the building out of that paragraph and increases the duty on them, and whether or not the articles that are left in this paragraph would have to go through another process after being imported before they could be used in the building, and, if they do, it is necessary to send them to a foundry or a machine shop of some kind and have that work done. So it would not be practicable to import them for structural purposes, because the expense of transportation to the factory or the foundry and the cost of the work there would make it impracticable to use them. Do they not come in from abroad in the same state that they are shipped from the local steel manufacturing establishment in this country to the building?

That has been my understanding, and I have been trying to get it plainly before the Senate whether or not we are really, by this change in phraseology, increasing the duty on structural steel. It seems to me that it would be a little more easy to understand by many of us if the duty on this second classification had been fixed a little higher—in tenths of a cent, or whatever it might be—than the way it has been increased. If a statement had been made as to the cost of labor at home and abroad in this additional finishing process, we could better understand this increase, for I can not escape the conclusion that we ought to make this bill so as to provide protection for American labor against foreign competition. And in order to do that we ought to know in detail the amount of protection that is necessary. I regret that we have not such data, because it would make a basis from which we could intelligently proceed and would remove many points of discussion.

Mr. BURKETT. Mr. President, let me say to the Senator, with all deference to his opinion, that in my judgment this is a decrease. There may be classifications that would have the opposite effect, but, in my opinion, we can very well afford to make classifications like this. For instance, a great amount of the ordinary structural steel of which the Senator was speaking could not possibly come in at the high rate of the old law. Now, by this classification that rate has been put down, and there is only contained in the other rate the higher class of structural steel that this bill specifically defines.

Now, in my opinion, that is a reduction by a classification of rates as a whole, rather than an increase, and as I have listened to the discussion and as I have investigated somewhat, in my opinion, this provision is an improvement, and for one I would rather vote for it with that change made than to vote to leave it as the old law contains it—all in one blanket clause.

Mr. BRISTOW. I understood the Senator from Rhode Island to say that a misconstruction of the old law permitted these articles to come in at a lower rate, and for that reason the

duty was increased. As I understood him, that was his justification of the increase. So the Senator from Nebraska must be mistaken or the Senator from Rhode Island was mistaken a while ago.

Mr. BURKETT. No; the old rate absolutely prohibits the lower grades of this structural steel coming in. Now it segregates that part of it as to which the old rate was prohibitory, and reduces it on that part of it, and only increases it on the higher grade.

Mr. BRISTOW. I beg pardon of the Senate for having taken so much time. I was simply trying to get some information, and I am obliged to the Senators who have spoken.

Mr. NEWLANDS. Mr. President, the Senator from Nebraska [Mr. BURKETT] indicates his view to be that as to unfabricated steel, the lower form of steel, this change involves a reduction, and as to the higher forms of steel it also involves a reduction. The Senator from Nebraska must bear in mind that there are almost no importations of the lower forms of steel, the unfabricated steel, and that there is almost no production of the unfabricated structural steel. The economical production of structural steel involves, first, the process of rolling, which is done at the rolling mill, and then the steel is removed to another mill where the assembling and the puncturing are done, and the purpose is to put the structural steel into such shape as to enable it to be put up in the building with the least expenditure of human labor. The first form of steel, therefore, hardly enters into the market, whether produced by our own country or produced abroad, for obviously you would vastly increase the expenditure upon a building if you were to remove the unfabricated steel to the building and then put it through a slow process of being punctured and assembled by human labor instead of by machinery. The reduction in this bill therefore amounts to nothing, because there is hardly any production of the commodity upon which it operates.

Now, let us see how it operates upon the fabricated steel. Under the existing Dingley Act a duty of five-tenths of a cent a pound, or \$10 a ton, is imposed, under the construction of the courts, of which the Senator from Rhode Island complains. The Senator has introduced an amendment which is intended to divide this steel into two classes—one the unfabricated, upon which he reduces the duty, and the other the fabricated steel, upon which he professes his purpose to increase the duty. The question is, What is that increase? There is a change made from a specific duty, imposed by the present law, of five-tenths of 1 cent per pound, or \$10 per ton, to 45 per cent ad valorem.

In order to ascertain in terms of tons what the ad valorem duty amounts to, it is necessary for us to get the foreign price upon which the ad valorem duty is imposed. The Senator from Rhode Island, when questioned regarding that, states that the foreign price is only \$20 per ton, as against \$30 here and \$40 per ton a year ago. So his statement involves this contradiction: If the foreign price is \$20 a ton, and you assess 45 per cent ad valorem upon it, the duty will be \$9 per ton; and so the Senator is involved in this contradiction, that whilst claiming that the present duty of \$10 is too low, according to his own statement, he proposes a duty that will yield only \$9 per ton. And upon a paragraph which comes within the rule laid down by the Senator from New York [Mr. Root], as a paragraph which has been amended by the committee and for which it is responsible and which it is compelled to defend and with reference to which it is under obligation to produce information, this is the information that is given to intelligent men in the Senate for their action.

Mr. President, as to the necessity for an increase, the Senator from Rhode Island and the Senator from Utah base their contention upon their statement that foreign steel, fabricated and ready for putting up into a building, as all fabricated steel is—foreign steel does not differ from domestic steel in that particular—has been brought into New York, and whole buildings, so far as steel construction is concerned, have been made of it. We are not told when those importations took place. Did those importations take place when the high rate of \$40 per ton for fabricated steel prevailed in this country at the factory, only one year ago, six months ago, or did this take place under the reduced price of steel at \$30 per ton, the existing price, a price which presumably is compensatory to the steel factories?

The date is not given. I can but assume that the importations took place when the extravagant price of \$40 per ton for structural steel was imposed by the manufacturers in this country, when the foreign price of structural steel, according to the statement of the Senator from Rhode Island was only \$20 per ton. Of course under those conditions, with the high price maintained by our domestic steel producers under the protection of a tariff wall which absolutely cut off foreign competition,

the foreign producer had only to add the duty of \$10 a ton to the \$20, the foreign price, to enable him to put that steel into the New York market at \$30 per ton, as against the steel of the steel trust at \$40 per ton. And possibly this very competition of the foreign producer had the effect of compelling the domestic producer to come down to the reasonable price of \$30 per ton for fabricated steel.

The Senator from Rhode Island, in his contention, claims that that beneficial effect of foreign competition must be absolutely eliminated; that when steel in this country is charged for at the rate of \$40 per ton by the domestic producers and is charged for at the rate of \$20 per ton by the foreign producer, in such a case, where the disproportion of the American price to a fair international price be so exaggerated, the tariff wall should be raised still higher in order to keep out the beneficial competition of the foreign producer; and he accompanies this with information absolutely inaccurate, with information involving a contradiction, for whilst he declares that his purpose is to increase this tariff wall, to raise its level, he at the same time in his computation declares the effect to be to reduce the height of that tariff wall. But whilst the existing duty is \$10 per ton, the ad valorem duty of 45 per cent upon \$20 a ton, the foreign price, will yield only \$9 per ton, and he expects intelligent men to act as to a schedule of this kind upon information involving such contradictions and such inaccuracies.

Mr. JONES. I desire to ask some member of the Finance Committee a question with reference to these words, "or manufactured." I can see a definite classification in the term "but not assembled or advanced beyond hammering, rolling, or casting," but what would be the condition of a beam or girder or joist or any shape of iron or steel that is not manufactured?

Mr. SMOOT. It would just simply be an I beam or—

Mr. JONES. Would it not be manufactured?

Mr. SMOOT. Not beyond rolling or casting.

Mr. JONES. But that is not it. That is a separate classification. It reads:

But not assembled—

That is one form—

or manufactured—

That is another—

or advanced beyond hammering.

And so forth.

I can see what would be the condition of a beam not advanced beyond hammering; but if it is a beam at all, is it not manufactured, and do not those words establish a classification there under which you would shut every one of these articles from this duty?

Mr. SMOOT. The wording of the bill seems to me to be simple. It certainly would not keep out an I beam—

Mr. JONES. Would it not be manufactured?

Mr. SMOOT (continuing). Or a girder.

Mr. JONES. Would not a girder be manufactured, if it is a girder?

Mr. SMOOT. Yes; but it is not manufactured beyond rolling or casting.

Mr. JONES. But that is not the proposition.

Mr. SMOOT. You can not manufacture it without rolling or casting it. It has to be done one way or the other. It either has to be rolled or cast, and that is exactly what we say here.

Mr. JONES. It seems to me you have three qualifying phrases or clauses, and they are independent of each other. If advanced beyond hammering, then it is excepted from the three-tenths of a cent per pound.

Mr. SMOOT. That is true.

Mr. JONES. But when manufactured, you shut it out under the term "or manufactured." It is independent of the other. It seems to me the words open the doors—

Mr. SMOOT. They do not open the doors as to anything except assembled articles or manufactured articles or advanced beyond hammering, rolling, or casting. That simply means this: That any girder or any I beam can come in under paragraph 119 at three-tenths of a cent per pound, but if it is manufactured beyond—

Mr. JONES. No; it does not read that way.

Mr. SMOOT. That is just exactly what it does say.

Mr. JONES. I beg the Senator's pardon.

Mr. SMOOT. It says if manufactured or if advanced beyond—

Mr. JONES. If you leave out the comma and the word "or," you will have your meaning; but if you do not, you have not your meaning.

Mr. SMOOT. I could not agree to that, because I think it is absolutely plain that that is what it means.

Mr. BACON. I desire to ask a question of the Senator from Rhode Island. I will not detain him a minute. I understand the Senator has instanced one case in which structural iron has been brought in in a perfected state and put up in New York—in the Singer Building. Does the Senator regard the now proposed amendment as one which will prevent that in the future?

Mr. ALDRICH. Not prevent it, but make it pay a higher rate of duty; that is all; not prevent it.

Mr. BACON. Does the Senator regard this as a rate which will be so high that there will be no importations under it?

Mr. ALDRICH. Oh, not at all. It will simply make those people pay a little higher price for their material.

Mr. BACON. There is now, as I understand, a very slight importation of structural steel—

Mr. ALDRICH. I do not know what the Senator calls slight. A hundred million pounds is not slight, according to my notion. It may be according to the Senator's.

Mr. BACON. The Senator did not permit me to finish my sentence. I said, according to the production in this country.

Mr. SMOOT. I can tell the Senator just what it would be. If he will look at the book before him, he will see that 1.4 cents a pound is the valuation of foreign structural steel coming in here; that is \$28 a ton. Under this paragraph the assembled parts of the structural steel coming here would fall under the 45 per cent ad valorem clause.

Mr. BACON. I understand that.

Mr. SMOOT. And that 45 per cent—

Mr. BACON. I am not talking about those features.

Mr. SMOOT (continuing). Would be \$12.60, and the old rate was five-eighths of a cent.

Mr. BACON. I am not asking about those things; I think they are perfectly clear; I do not think there is any confusion about them. I simply want to get the opinion of the committee whether it would be a prohibitory rate.

Mr. ALDRICH. It certainly would not be.

Mr. BACON. I desire to say, before the paragraph is passed, that it is in a peculiar position. There has been an amendment agreed to that, personally, I would not favor. There is an amendment proposed which I do favor. Therefore, we are in a position where we can not reach the one to which I am opposed, except by a motion to reconsider. I understand that those who are opposed to that particular amendment propose now to let the matter go over and to reach it when we come into the Senate.

The PRESIDING OFFICER. The Secretary will read the next paragraph.

The SECRETARY. Paragraph 123, page 35—

Mr. ALDRICH. I promised the Senator from Texas to allow this paragraph to go over still further.

The PRESIDING OFFICER. Without objection, it will be passed over. The next paragraph passed over will be read.

The SECRETARY. The next paragraph passed over is paragraph 124, in the following words:

124. Railway bars, made of iron or steel, and railway bars made in part of steel, T rails and punched iron or steel flat rails, seven-fortieths of 1 cent per pound; railway fishplates or splice bars, made of iron or steel, two-tenths of 1 cent per pound.

The PRESIDING OFFICER. The question is on agreeing to the paragraph. Without objection, the paragraph is agreed to. The next paragraph passed over will be read.

The SECRETARY. Paragraph 125, as follows:

125. Sheets of iron or steel, common or black, of whatever dimensions, and skelp iron or steel, valued at 3 cents per pound or less, thinner than No. 10 and not thinner than No. 20 wire gauge, five-tenths of 1 cent per pound; thinner than No. 20 wire gauge and not thinner than No. 25 wire gauge, six-tenths of 1 cent per pound; thinner than No. 25 wire gauge and not thinner than No. 32 wire gauge, eight-tenths of 1 cent per pound; thinner than No. 32 wire gauge, nine-tenths of 1 cent per pound; corrugated or crimped, eight-tenths of 1 cent per pound; all the foregoing valued at more than 3 cents per pound, 30 per cent ad valorem: *Provided*, That all sheets or plates of common or black iron or steel not thinner than No. 10 wire gauge shall pay duty as plate iron or plate steel.

The PRESIDING OFFICER. Without objection, the paragraph is agreed to.

Mr. NEWLANDS. May I ask what amendment has been agreed to in paragraph 125?

The PRESIDING OFFICER. There is no amendment to paragraph 125.

Mr. NEWLANDS. Then what action has been taken in regard to it?

The PRESIDING OFFICER. It was agreed to.

Mr. ALDRICH. It has been agreed to.

The PRESIDING OFFICER. The next paragraph passed over will be read.

The SECRETARY. Paragraph 129, steel ingots, and so forth.

Mr. CULBERSON. I was in the rear of the Chamber when paragraph 124 was agreed to. I desire to submit an amendment to that paragraph.

Mr. ALDRICH. It can be done in the Senate.

Mr. BACON. But we want to do it now.

Mr. CULBERSON. It can be done in the Senate, it is true, but if it is agreeable I should be glad to have the paragraph passed over for the present.

The PRESIDING OFFICER. The paragraph has been agreed to. What is the suggestion of the Senator from Texas?

Mr. ALDRICH. I hope the Senator will not try to raise that question now. There will be plenty of time to consider the question when the bill is in the Senate.

Mr. BACON. The only objection would be that as we well know by the time the bill is reported from the Committee of the Whole much time will have elapsed and Senators will be impatient, and there can not be the same consideration given in the Senate as in the Committee of the Whole.

Mr. ALDRICH. I think so.

Mr. BACON. I think not.

The PRESIDING OFFICER. The next paragraph passed over will be read.

The SECRETARY. Paragraph 129, steel ingots, and so forth—

Mr. CULBERSON. What was done with paragraph 124?

Mr. ALDRICH. It was agreed to.

Mr. CULBERSON. I ask the Senator to allow it to be passed over for the present.

Mr. ALDRICH. I want to dispose of these questions as we go on. The Senator can offer his amendment now or wait until the bill comes into the Senate. I have no objection if the Senator prefers to go on with the consideration of the paragraph now, but I would prefer that he should wait until the bill gets into the Senate.

Mr. CULBERSON. I am not prepared to submit the amendment just now.

Mr. ALDRICH. Then we had better go on with it in the Senate.

The PRESIDING OFFICER. The Secretary will read the next paragraph passed over.

Mr. ALDRICH. One hundred and twenty-nine is the next paragraph.

The PRESIDING OFFICER. The Chair understands that paragraph 128 was agreed to.

Mr. ALDRICH. It was agreed to.

The PRESIDING OFFICER. The Secretary will read paragraph 129. The Chair understands that the amendments of the committee to this paragraph have been agreed to.

Mr. ALDRICH. Then, I ask that the paragraph be agreed to.

The PRESIDING OFFICER. Without objection, the paragraph is agreed to.

Mr. CULBERSON. I wish to invite the attention of the Senator from Rhode Island to paragraph 129, that he may explain it before the paragraph is agreed to. I have not the paragraph before me, but my recollection is that the original paragraph contained 11 different items, and that as amended by the Senate it contains 14, the additional items 12, 13, and 14. Those items have been added by the Senate committee. As I remember, they increase the rate. Item 13, for instance, increases the rate about 49 or 50 per cent, relatively, and item 14 increases the rate 70 odd per cent, relatively speaking.

My information, further, is that in the same grade there were more than one-third of the total importations under paragraph 129 under the Dingley Act. So, apparently, unless the Senator from Rhode Island can explain it, taking into consideration the importations and the reclassification, paragraph 129 makes an increase in the rate. I will ask the Senator if that is not the case, and why this reclassification has been made by the committee, introducing three additional classes, in one of which is included more than one-third of the total importations in 1907?

Mr. ALDRICH. Mr. President, the three brackets to which the Senator alludes are to provide for entirely new classes of steel that were never heard of or known when the act of 1897 was passed. The Senator is more or less familiar, I take it, with some of the very great discoveries which have been made within the last few years in steel making. Steel is now made which costs from 60 to 70 cents a pound. It is called "high-speed steel," and it is used in machinery running at a very high rate of speed and in tools which require frequent hardening. It is steel which in its character is entirely unlike any steel which was known when the act of 1897 was passed.

Some of these discoveries, in the opinion of the people who ought to know about such matters, it is believed may revolutionize the whole business of manufacturing steel in the world. In these products there is used a great variety of new metals

in combination with these various kinds of steel. They are extremely expensive to make. The purpose is to encourage their production in this country, where we certainly want to take advantage of all the new discoveries in the iron and steel industry. We want to be kept abreast of the world not only in questions of armament, in which these steels are largely used, but in all the progressive manufacturing or mechanical purposes.

I think there is not one provision of this bill that has more merit and is more desirable than the three brackets to which the Senator has alluded. The production of these various kinds of steel is absolutely an infant industry, and should be properly taken care of by this act.

The PRESIDING OFFICER. Without objection—

Mr. CULBERSON. In view of what the Chair was about to say, I beg leave to suggest that the best way would be to submit the question to the Senate and not to suggest that unless there is objection an amendment is agreed to. Of course, if the Chair thinks that one objection would defeat the paragraph, it is well enough, but I beg respectfully to suggest that it does not.

The PRESIDING OFFICER. The Chair will endeavor to comply with the wishes of the Senator from Texas.

Mr. CULBERSON. Very well.

The Senator from Rhode Island, as I understood him, states that these three additional grades are inserted because there is a new kind of steel. I do not understand that to appear from this paragraph. I have a memorandum here, prepared partly by myself and partly by an expert, a portion of which at least I will read:

12. The next grade created is that valued above 24 and not above 32 cents a pound, and upon this the duty is 6 cents a pound, or a relative increase of 27 per cent over the 4.7 cents a pound of the Dingley Act.

13. The last grade created is that valued at above 32 and not above 40 cents per pound, upon which the duty is fixed at 7 cents, a relative increase over the 4.7 cents of the Dingley Act of nearly 49 per cent.

14. The last grade created is all valued above 40 cents a pound, and upon this there is proposed a 20 per cent ad valorem, or from 8 cents a pound upward. Upon a minimum basis of 8 cents a pound duty the relative increase is more than 70 per cent above the 4.7 cents a pound of the Dingley Act.

Indicating, Mr. President, that the classification is as to value alone. As I said a while ago, more than one-third of the total importation under paragraph 129, as shown by the imports of 1907, belong to class 13, where the per cent of increase is 49. I invite the attention of the Senator from Rhode Island to my suggestion that this new division is upon a basis of value, and not upon a new kind of steel.

Mr. ALDRICH. I understand that.

Mr. CULBERSON. Of course the Senator may be able to explain it. I am unfortunately one of those Members of the Senate who is not an expert in steel, having had no experience with the matter.

Mr. ALDRICH. Paragraph 129 includes all kinds of steel, and therefore it includes all these new kinds. The only way in which they can be reached for classification is by a classification for value. There were no steels practically in existence with the high prices in 1897. They have been coming in. They came in in 1907. A lot of these new steels came in under the paragraph as it stood, and that is the reason why they appear all in one paragraph, above 30 cents a pound, I think. But some of these steels were then of immense value.

Mr. TILLMAN. I am greatly interested in what the Senator is telling us. Are the inventions of these processes of this steel, which, I take it, are better than cast steel—

Mr. ALDRICH. Very much better.

Mr. TILLMAN. Are these inventions of very high-grade steel American or foreign?

Mr. ALDRICH. Some are American and some foreign. I think the most valuable are English inventions. The Senator from Pennsylvania [Mr. OLIVER] perhaps can give a little more definite information on the subject. I think the more valuable of the inventions are English.

Mr. OLIVER. The additional brackets in paragraph 129 were put in to cover what is known as "high-speed" and "tool" steel. At the time of the enactment of the Dingley law what is known as "crucible steel"—tool steel—was manufactured largely in this country and very little of it, comparatively, was valued above 16 cents a pound. Some of it ran up as high as 20 cents a pound. The market was in the hands of the American manufacturers. They supplied substantially all the tool steel used in this country except a few specialties.

Mr. TILLMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from South Carolina?

Mr. OLIVER. I hope the Senator will not interrupt me, because, in order to cover this matter, I will have to talk consecutively and without interruption.

Mr. TILLMAN. I was simply going to ask the Senator a question, but if he objects I will wait.

Mr. OLIVER. I have no objection, Mr. President, to any question that may be asked by the Senator from South Carolina, but I hope that he will allow me to proceed without interruption in explaining this paragraph.

In 1901 a British manufacturer introduced into this country a new kind of steel. It was made by taking about 80 per cent of the highest grade of Swedish bar iron and alloying it with about 20 per cent of valuable minerals, chiefly tungsten, with a slight mixture of chromium and vanadium. These materials are extremely rare and valuable. The tungsten that goes into this high-speed steel is worth from \$1,400 to \$1,500 a ton, and as the steel contains almost 20 per cent of tungsten, you can easily realize that the tungsten alone that goes into a ton of this steel is worth between \$275 and \$300.

The other elements, chromium and vanadium, are equally valuable, although they go in in smaller quantities. The Swedish bars which are used as a basis of this raw material carry under the present tariff a duty of \$12 a ton, and under the proposed tariff \$8 a ton, all made of charcoal iron.

To show the extent to which this steel invaded our trade I will read the imports of steel valued at above 16 cents per pound which were made in 1901 and the years following. In 1901 it was 778,736 pounds; in 1902, 2,133,461.84 pounds; in 1903, 2,299,439.75 pounds; in 1904, 1,556,313 pounds; in 1905, 1,724,612.50 pounds; in 1906, 2,897,682.24 pounds; and in 1907, 3,535,707.94 pounds.

Now, Mr. President, every pound of this steel that is used displaces at least 5 and sometimes as high as 10 pounds of the ordinary tool steel that was formerly used and made in this country. By reason of this admixture the utility of the steel is so increased that you can put it in a lathe and run the lathe to any speed you want and it will cut iron or cut steel and do its work just as well if it is red hot as it will at any ordinary temperature.

So, as this steel displaces so much of our steel, you can easily understand the inroads that have been made upon the trade of our manufacturers. Our manufacturers have not been idle. This was a secret process, of which not one, but a great many, of our manufacturers have discovered the formula. They are making it to-day, but by reason of the exceedingly high price of the materials entering into it, owing to the fact that it uses up their crucibles faster, it uses up their refractories faster and involves infinitely more labor and more care than had heretofore been used in the art, it is absolutely necessary, if we are to make it in this country, to place upon it a higher rate of duty.

I call the attention of the Senator from Texas and the other Senators who are opposed to this duty to the fact that it does not increase the price of steel to the users of it. When you consider the amount of work that can be done by 1 ton or 1 pound or 1 unit, they are getting the same work done for less money than they heretofore were able to do.

This steel, when it was first introduced, and until our manufacturers discovered the formula, was put upon the American market at 75 cents a pound. The price to-day of some grades of it has come down as low as 34 cents a pound. That is what has been done by our home competition as against foreign competition, for I tell you, Mr. President, there is no tyranny so absolute as the tyranny of a foreign producer who puts goods into a market away from his home.

By the adoption of these amendments you will afford perhaps not adequate protection, but some protection to our manufacturers, and you will be giving to the users of this product their steel at less money than they were paying heretofore for the same amount of work that the steel formerly used would do under the lower rates of duty, and you will be saving money to our consumers and putting the manufacture in the hands of our people instead of those abroad.

Mr. FLETCHER. Mr. President—

Mr. BEVERIDGE. May I ask a question before the Senator from Florida begins?

Mr. FLETCHER. Certainly.

Mr. BEVERIDGE. It is merely this: I listened very attentively to the explanation of the Senator from Pennsylvania, from which I gather, and I want to know whether I am right in gathering it, that this is protecting new steel that has not been in the market before and has not been manufactured here before.

Mr. OLIVER. It is a new article of commerce, Mr. President, that never was heard of prior to 1900 or 1901.

Mr. BEVERIDGE. That being true, of course it follows that the statement in the comparative schedule, that these steel bars heretofore had a certain duty, was erroneous. If this is an absolutely new article, that is incorrect.

Mr. ALDRICH. No; it did pay that rate of duty, because there was no other classification for it; it had to pay that rate.

Mr. CULBERSON. The suggestion of the Senator from Indiana is one I have been endeavoring to bring out, that the same character of steel, valued at the same price, was imported into this country in 1907 at a certain duty, and that the effect of this amendment is simply to increase the duty.

Mr. BEVERIDGE. I do not so understand it. If the Senator will permit me, I understand from what the Senator from Pennsylvania says that instead of being an increase of duty it is a new duty, simply because this steel did not exist when the former law was passed, and the duty which it paid was by reason of a classification made by the appraisers. In reality it has not been specifically provided for by law before.

Mr. TILLMAN. If the Senator from Florida will permit me.

Mr. FLETCHER. Certainly.

Mr. TILLMAN. I note that there were imported in 1907 3,535,707 pounds, valued at 16 cents per pound, and the Senator from Pennsylvania tells us the reason why this steel is so high—

Mr. OLIVER. I beg the Senator's pardon; it is valued at an average of 34 cents a pound—that is, the foreign value.

Mr. TILLMAN. I am only quoting the schedule as we have it printed—"valued above 16 cents per pound."

Mr. OLIVER. I was reading, Mr. President, from the imports and duties of 1894 to 1907.

Mr. TILLMAN. I am not disputing the Senator's statement at all. I am merely giving the statement which we have here, and I was calling attention to the fact that the House committee did not think it worth while to have any hearings on this subject, that there was no light thrown upon it, and that somebody had given the Finance Committee new light—I suppose the Senator from Pennsylvania—which has enabled it to reason out the necessity for this big increase.

Mr. ALDRICH. The people who came before the members of the committee were the people who were engaged in trying to make this high-priced steel.

Mr. TILLMAN. I am not objecting to that at all. I am not finding any fault with this infant industry. I am glad to see the Senator is so solicitous about infant industries, for I am going to remind him about infant industries before we get through with this bill.

Mr. ALDRICH. I am extremely solicitous about this, because I think it is one of the most important things in the bill.

Mr. CULBERSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Texas?

Mr. FLETCHER. I do.

Mr. CULBERSON. By the courtesy of the Senator from Florida, I am permitted to make a further suggestion. Under the Dingley Act there were 11 different grades of steel, while by the proposed amendment there are 14. No. 13, which is created by this act, is that valued at above 32 and not above 40 cents a pound, upon which a duty is fixed of 7 cents, a relative increase over the 4.7 cents of the Dingley Act of nearly 49 per cent.

The steel imported in 1907 under No. 13, valued at above 32 cents and not above 40 cents, the average of which is 34 cents a pound, constituted \$1,202,672. Considerably more than one-third of the total of the two grades constituted in value about 80 per cent of the imports; in other words, the steel which is described by this act as No. 13, which was imported under the Dingley Act, amounted to over a million dollars.

It is now put in class 13, the duty on which is increased to 49 per cent relatively to the Dingley Act. So that it is not a new kind of steel according to this law, with due respect to the Senator from Pennsylvania—and I know he is perfectly sincere concerning his statement; and he may be right—but, according to this law, the same kind of steel, which is described as No. 13, and upon which the ad valorem increase is 49 per cent, was imported in 1907.

Mr. BEVERIDGE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Indiana?

Mr. FLETCHER. Certainly.

Mr. BEVERIDGE. As I gather the drift of this discussion, this really is a new kind of steel which has been invented since the Dingley law was enacted.

Mr. CULBERSON. How can it be a new kind of steel, so far as the importation is concerned, when it came into this country in 1907?

Mr. BEVERIDGE. I will say to the Senator that, in view of the fact that the Dingley Act did not provide for it, because it did not then exist, it was classified by the Board of Appraisers

under the only caption under which it could pay any duty at all, which is the reason why it paid this duty. So it is a new kind of steel which did not exist when the Dingley Act was enacted. Is that correct?

Mr. ALDRICH. That is correct. If the Senator from Texas [Mr. CULBERSON] will read paragraph 138, he will find that it was not possible to have imported these articles under any classification except the classification of steel. It is the only place it could come in, for paragraph 129, now under consideration, includes all the steel that is made. A large part of the steel manufactured in the United States is valued at less than a cent a pound, probably; from that up to 75 cents a pound. Paragraph 129 is all-embracing; it includes all classes of steel that are produced in the world.

Mr. CLAY. Let me ask the Senator a question. As I understand, quoting from line 21, "valued above 16 cents and not above 30 cents per pound, 4.6 cents per pound." That was the Dingley law.

Mr. BEVERIDGE. No—

Mr. CLAY. Yes; it was.

Mr. BEVERIDGE. That was the classification under the Dingley law.

Mr. CLAY. That is what I mean—"valued above 30 cents per pound, 15 per cent ad valorem." If I understand it, the Dingley law intended to tax all steel ranging from 16 cents a pound clear up as far as it went 4.6 cents a pound. That included steel worth 40 cents; it included steel worth 32 cents; it included all steel mentioned in the three paragraphs to which the Senator from Rhode Island refers.

Mr. ALDRICH. Undoubtedly.

Mr. CLAY. In other words, as I understand, under the Dingley law, on steel worth 24 cents the duty would be 4.6, and on steel worth above 24 cents and not above 32 cents, the duty would be the same, while under this amendment it would be 7 cents. It strikes me that under the Dingley law all steel in this class, ranging from 16 cents a pound and upward, would be 4.6 cents.

Mr. BEVERIDGE. According to the statement of the Senator from Pennsylvania, this kind of steel was not then invented. So, afterwards, when it was imported, that was the only place it could be put; otherwise it would come in free of duty.

Mr. CLAY. That is true. If that class was not in use at the time the Dingley law was passed, and that class of steel was afterwards manufactured, then, in my opinion, this paragraph 129 would apply to it, and that steel would come in, and has been coming in, at 4.6 cents a pound. It is a very serious question—and I always like to look at a thing in a practical way—to increase the duty on steel of this class from 4.6 cents to 7 cents a pound. It is an increase of almost 80 per cent. The Senator from Pennsylvania [Mr. OLIVER] has made a very clear statement as to the kind of steel this is; but the trouble with me is that if this steel has been coming in here for seven years—since 1901, if I recollect correctly—paying this identical duty, to now change that rate from 4.6 to 7 cents a pound is a very serious question; and there ought to be indisputable facts to sustain such an increase.

Mr. GORE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Oklahoma?

Mr. FLETCHER. Certainly.

Mr. GORE. I merely want to ask the Senator from Pennsylvania whether this was a patented process?

Mr. OLIVER. Mr. President, I will answer the Senator from Oklahoma that it is not a patented process. It was at first a secret process, but the secret has been discovered, and is now utilized by our American manufacturers.

Mr. GORE. It is, then, available to every man?

Mr. OLIVER. It is available to everybody. This steel is made in Pittsburg and in Reading, Pa.; it is also made in New Jersey; some of it is made, I think, in Chicago, and some in Syracuse, N. Y. Its manufacture is widespread over the country.

While I am up, Mr. President, I want to say that the manufacturers inform me that there are other formulas which they think by other admixtures will enable them—and they are also in the possession of foreigners—to make steel of still higher utility, the price of which may go up to 75 cents or \$1 a pound; and which, even at this high price, will still be very much cheaper for use than the low-priced steel. That is the reason why there should be fixed this very low and reasonable ad valorem rate of 20 per cent to cover such things in the future.

Mr. President, before I sit down, if the Senator from Florida will excuse me—and as addressed to my associates who be-

lieve in a protective tariff and not to our Democratic friends—I wish to read this quotation:

The tariff in a number of the schedules exceeds the difference between the cost of production of such articles abroad and at home, including a reasonable profit to the American producer. The excess over that difference serves no useful purpose, but offers a temptation to those who would monopolize the production and the sale of such articles in this country to profit by the excessive rate. On the other hand, there are other schedules in which the tariff is not sufficiently high to give the measure of protection which they should receive upon Republican principles, and as to those the tariff should be raised.

That is from the speech of William H. Taft, in Cincinnati last summer, accepting the nomination as the Republican candidate for the presidency.

Mr. NELSON. Will the Senator from Florida yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Minnesota?

Mr. FLETCHER. Yes.

Mr. NELSON. I desire to call the attention of the Senator from Pennsylvania [Mr. OLIVER] to this phraseology in the paragraph under consideration, which is new and which to me is a greater mystery than the increase in the rate. Beginning on line 18 are the words:

Not advanced in value or condition by any process or operation subsequent to the process of stamping.

That is new in this proposed law. It is not contained in the old law. I should like to understand the mystery or the meaning and the effect of that phrase. Will it operate, as it did in paragraph 119, to put most of this product under the general classification of a 45 per cent ad valorem rate? What does it exclude and what does it include?

Mr. BEVERIDGE. From what point does the Senator from Minnesota read?

Mr. NELSON. The language to which I refer is in paragraph 129, page 37, line 18:

Not advanced in value or condition by any process or operation subsequent to the process of stamping.

Those are the new words that were injected, and that is the mystery which I should be glad to have explained.

Mr. ALDRICH. That applies to "stamped shapes"—just that one class, and nothing else.

Mr. NELSON. It does not so appear in the bill. There is a semicolon after the words "mill-shafting material," and then the words "pressed, sheared, or stamped shapes."

Mr. ALDRICH. The phrase only applies to those shapes. It does not apply to anything else.

Mr. FLETCHER. Mr. President, of course I do not wish to interfere with the course of the discussion here at all. I rose to submit a statement, which ought to have peculiar value, inasmuch as it is a statement delivered by a gentleman who declares himself to be a manufacturer, a Republican, and a protectionist.

When paragraph 124 was reached the Senator from Texas asked to have it passed over, when the Senator from Rhode Island objected and suggested that any amendment to the paragraph might be offered in the Senate. I understand that an amendment will be offered to the bill in the Senate putting the articles described in that paragraph on the free list.

Mr. ALDRICH. Is the Senator from Florida speaking about paragraph 123 or paragraph 124? I think paragraph 123 is what the Senator has reference to.

Mr. FLETCHER. No, sir; I refer to paragraph 124.

Mr. ALDRICH. Railway bars, steel rails?

Mr. FLETCHER. Steel rails.

Mr. ALDRICH. Did the Senator say "on the free list?"

Mr. FLETCHER. I understand an amendment will probably be proposed, or possibly be proposed, to put them on the free list.

Mr. BEVERIDGE. If the Senator from Florida is speaking about paragraph 129, will he permit me to ask the Senator from Pennsylvania a question before that discussion is closed?

Mr. FLETCHER. If the Senator will allow me, I shall be through in a minute. I want to submit this statement, as bearing upon this general subject in reference to what has been said and read. I might respond that I had been unable to find in the Constitution of the United States or in the laws of the United States any authority in Congress to guarantee reasonable profits to anybody about anything or upon any industry. I am not able to find that there is any authority or power in Congress to discriminate in favoring one industry or manufacture over another. But I submit this statement, which was published in what is called "Tariff Revision," last September, by Mr. H. E. Miles:

This man—

Referring to a man with whom he had a conversation—

This man knows that when the Dingley bill was passed the cost of the manufacture of steel rails was \$12 per ton in Pittsburgh and \$16 in England; ocean freight was, and is, about \$3.50, making \$19.50 the English cost delivered in New York, or 63 per cent above the Pittsburgh cost. Imagine any Congressman being so foolish or so daring as to attempt to explain why, with this 63 per cent of "natural protection," \$7.80 per ton, or 65 per cent, more protection was given by Congress. The granting of a tariff like this is a farming out of the taxing power for private considerations and to private interests.

Not long after the passage of this bill steel makers, guided by Wall-street promoters, put about \$1,000,000,000 of water into one corporation, and partly, at least, by the powers given to them in that tariff by Congress and the President, they have transferred the wealth of the people into that watered stock, in amount not less than \$1,000,000 per week, until it has become a most substantial property. Lesser concerns have taken as much more. Sales prices have been doubled. Seeking relief from abroad, domestic users have found the Government of the United States practically preventing relief through importations at one-fourth lower prices, although these lower prices were being gladly met by our makers in neutral markets, and very profitably.

Americans owning factories both in the United States and in Canada are buying Pittsburgh steel cheaper for their Canadian factories, and are supplying foreign markets from Canadian factories formerly supplied from the United States. Leading political manipulators, sometimes called "statesmen," and even protectionists, knowingly made all this possible in the name of protection to American industries and labor.

Or consider pig iron. The wage cost at the furnace of converting the raw materials there assembled into pig is, as stated by Mr. Schwab, 41.1 cents per ton of pig produced. Indeed, Mr. Schwab says that this covers, at the best furnace, also maintenance and overhead expenses. This seems almost incredible, but for more than a generation our steel men have taxed the belief of the manufacturing world by the actual facts of their accomplishments. Certainly pig, like all other steel and iron products, is produced cheaper in this country than anywhere else on earth. Mr. Gary fairly conceded this to a congressional committee, which, however, for some reason failed to act upon the information.

In utter disregard of the principle of protection Congress, in the name of the principle thus set at naught, put a duty of \$4 per ton on pig iron—a duty about 10 times the total wage cost of production at the furnace.

I submit that statement, Mr. President, as bearing on this subject; and under it it would seem that all claims that there should be a duty to protect a great American industry in this instance vanishes into thin air.

Mr. BEVERIDGE. Mr. President, before the vote is taken—I do not think there will be a vote, perhaps—I want to ask the Senator from Pennsylvania, who has made a most luminous statement about this whole subject, just two questions. Perhaps I was not in the Chamber and he may have already answered them. Can he tell us what is the difference between the cost of production on this particular item of steel here and abroad? That is the first question. The second question is, What is this particular kind of steel used for?

Mr. OLIVER. I would like the Senator to repeat his first question.

Mr. BEVERIDGE. I ask what is this new steel, this new invention, used for; and, then, what is the difference between the cost of production here and abroad? That is all.

Mr. OLIVER. Mr. President, I am sorry that I can not just now give the Senator the figures as to the difference in the cost of production. My information upon that point is general. I think, perhaps, I have it among my papers; but I can not get at it just now.

Mr. BEVERIDGE. Perhaps the committee can give it to us, then.

Mr. OLIVER. No; I do not believe the committee can if I can not, because I think I have given the subject very exhaustive study, and I rather think perhaps that some of the members of the committee have relied on me; but I will be glad to give it later.

Mr. BEVERIDGE. Of course, the rate of \$7 must have been based upon the difference in cost here and abroad. I think everybody on both sides of the Chamber is impressed with the Senator's statement. I understand this particular kind of steel did not exist when the present law was passed and that it was put under the classification as stated; otherwise it would have come in free. Therefore, of course, the present rate is based upon the difference in cost here and abroad. That and the explanation of what it is used for would, I think, settle the question.

Mr. OLIVER. Will the Senator repeat his second question, so that I can get a clear understanding of it? I think I can answer it.

Mr. BEVERIDGE. What is this new steel used for?

Mr. OLIVER. Anyone who has ever been in a machine shop perhaps has noticed the working of a lathe. They put a piece of tool steel in the teeth of a lathe; set the lathe to going; and it goes very, very slowly, tearing off and shaping up the tool. As a usual thing, under the old practice, the machinist running that lathe could set the lathe to going, go off and go to sleep for an hour, and come back and set it again at the end of that time. The cutting of tools naturally heats the steel, and

if you would heat the ordinary tool steel, such as is used in this way, beyond a certain temperature, it would not cut, as it would become so heated itself.

Mr. BEVERIDGE. Then this is a hard steel, so hard that it can cut other steel?

Mr. OLIVER. This steel is very hard. By introducing other high-priced ingredients—chromium, vanadium, and tungsten—you can heat the steel red hot and just let it plow along. That is the reason they call it "high-speed steel." You can start the machines going at a high speed, and it does five or ten times as much as the old steel, and will last that much longer.

Mr. BEVERIDGE. How about the cost of production?

Mr. OLIVER. I will have to give it to you later on, because I have not got the items of cost. I do know, though, that from the very nature of things it must cost immensely more than other steel. One element of cost I will now give.

The pending bill levies a duty of \$8 a ton on Swedish charcoal iron—and all of this class of steel is made from Swedish iron—which now pays a duty of \$12 a ton. Tungsten carries a duty under the pending bill of 25 per cent. Every ton of this steel requires \$300 worth of tungsten. The duty upon that tungsten alone amounts to two and a fourth cents a pound—not the cost of the tungsten, but the duty alone, and the tungsten in the steel will cost from 12 to 15 cents a pound. There is a duty of \$8 a ton on Swedish iron, and there is 2½ cents a pound for tungsten. These are two elements of cost that the foreigners do not have to pay. In addition to that we have the increased labor cost, the cost of investment, and the cost of refractories, all of which would bring it up to a point where 4.6 cents per pound does not cover anything like the difference between the cost here and abroad. Twenty per cent ad valorem may make up the difference; but, if so, it will not more than adequately do so.

Mr. TILLMAN. Mr. President, before the Senator takes his seat—I am very much interested in this matter, and he seems to be about the only man here who knows what is the reason for this duty—would he tell me whether we have any tungsten in this country? I have never seen the word, and I may be pronouncing it wrong.

Mr. OLIVER. I understand that there are tungsten mines in this country, but not sufficient to supply our wants.

Mr. TILLMAN. Where are they?

Mr. OLIVER. There are some in Colorado that I know of, but I have been told by a manufacturer of this steel that the country has to rely upon the foreign markets for something like half of the tungsten that it uses to-day.

Mr. TILLMAN. What about the other ingredients—vanadium and chromium, or something like that?

Mr. OLIVER. They are mostly imported.

Mr. TILLMAN. We have none of them here?

Mr. OLIVER. I can not answer that.

Mr. ALDRICH. Several Southern States produce them.

Mr. TILLMAN. I just wanted to know whether you people were gobbling up all these protected things and we did not have anything down our way, unless it might be something that some northern man has gone down and asked you to protect.

Mr. ALDRICH. Virginia and North Carolina both produce the articles referred to.

Mr. HUGHES. Mr. President, I should like to inquire of the Senator from Pennsylvania if he understands that the bill, as amended by the committee, proposes any duty whatever upon tungsten, of which there is not only a production in Colorado to meet the demand, but an exportation in 1907 to Germany of the tungsten metal?

Mr. ALDRICH. I will say to the Senator from Colorado that the committee propose to recommend an amendment putting a duty upon tungsten.

Mr. HUGHES. But as the law stands to-day, I understand there is no duty.

Mr. TILLMAN. Why do you want a duty if we are exporting it?

Mr. ALDRICH. Both Senators from Colorado, I think I can say, believe that by putting a small duty upon tungsten ore they can very largely increase the production in this country.

Mr. TILLMAN. If they are already exporting it, if we are making more than we need, what is the use of any duty?

Mr. ALDRICH. We are not exporting very much of it, I think.

Mr. HUGHES. No. That which was exported was the metal, not the ore. It was exported during the time when they did not need all that they had in the factories at Pittsburg and elsewhere.

Mr. NEWLANDS. Mr. President, I wish to make an inquiry of the Senator from Pennsylvania. I have been impressed with the clear and luminous statement which he has made

regarding the steel industry. I may say that I have been impressed throughout with the fullness of his information and his apparent openness and candor upon these subjects. I am sure that if the system of protection presented always as its beneficiaries personalities as attractive as the Senator from Pennsylvania it would be an argument in favor of the system of protection; but as I understand the Senator from Pennsylvania, according to his own statement, is a manufacturer, that he belongs to the employing class, and represents a district which, as I understand, is one of the most highly protected districts in this country—

Mr. OLIVER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Pennsylvania?

Mr. NEWLANDS. Certainly.

Mr. OLIVER. I think the Senator from Nevada was not present yesterday when, in response to a statement made by the Senator from Wisconsin [Mr. LA FOLLETTE], I stated that I was not interested in manufacturing and had not been for about eight years. Unfortunately, the business in which I am engaged is publishing a newspaper.

Mr. NEWLANDS. Mr. President, then I was certainly under a misapprehension. The Senator will recall that the other day he spoke of having been interested at one time in the window-glass industry, and I supposed that he was largely interested in manufacturing. But he does come from a region which is regarded as the most highly protected region in this country, and I wish to inquire as to the effect of this system there, not only upon the employers, but upon the employed; not only with reference to its creation of great wealth, but with reference to its effect in securing the general prosperity and happiness of the wage-earners engaged in the various industries at Pittsburg.

I wish to call his attention to an inquiry which has recently been made under the patronage of the Russell Sage Foundation into the economic conditions that prevail at Pittsburg, Pa. I understand that that inquiry has been made not by radicals, not by anarchists or socialists, but has been made by men who are profoundly interested in sociological questions, conservative men, who are interested in these great problems relating to the general prosperity of the masses of the people, their housing, their clothing, their food, and the ability of a family to maintain itself under the pressure of economic competition.

I have read over some of these papers, though not carefully, and I find that the general summary of these inquiries into conditions there is that the industrial conditions of Pittsburg, where more wealth has been created through protectionism than any other portion of the country, with respect to the average wage-earner are worse than in almost any other part of the country. It is contended for them, if I recollect aright, that even the Sabbath is not observed, that men are engaged in work seven days in the week, that they are engaged in work twelve hours a day, and that the wages are such that it is utterly impossible for a wage-earner to support a family under the conditions which ought to obtain in family life in America. Illustrations are given showing that labor there employed is largely composed of men coming from the southern parts of Europe, men accustomed to a low standard of living, men huddled together five or six in a room; that they are subject to this grinding labor seven days in the week and twelve hours a day, and under conditions which make the factories almost a pandemonium.

I should like to ask the Senator from Pennsylvania whether he has read the reports of the gentlemen who have been conducting this inquiry, and whether he knows if those reports are exaggerated or are correct?

Mr. OLIVER. Mr. President, an answer to that question would be entirely foreign to the subject under discussion, and would require time and preparation—time which nobody has, and preparation which I have not had the opportunity to make. I think I could, and I believe I will some time, refute many of the slanders contained in the publications referred to; but I will not attempt to do so now, when things of more immediate importance are at stake.

Mr. NEWLANDS. I, of course, accept the statement of the Senator from Pennsylvania as to his unpreparedness to make a statement at this time regarding the matter. I differ with him, however, as to the relevancy of the question I have propounded. Throughout this entire discussion the main contention of those who believe as the Senator from Pennsylvania does, in the system of high protection, has been that it has operated to the great advantage and prosperity of the laboring men and of the wage-earners of the country. The contention always is that the high protective duty is necessary, not to protect wealth, but to protect labor. We all know that Pittsburg, Pa., is the very center of protectionism in this country; that there are more

protected industries established there than in any other part of the country; that greater wealth has been accumulated there through the manufacture of protected commodities than in any other portion of the country. It seems to me when we are considering the tariff question, and when we are considering this very schedule which relates to the most prominent industry of Pittsburgh, and when the contention is made that these high duties should be maintained and increased, with a view to benefiting the laboring man and advancing his prosperity, it is entirely proper for us to inquire as to whether the conditions of the laboring man in that highly protected community are of the low and ignoble character described by these gentlemen, professors in colleges, sociologists, economists, under the patronage of the Russell Sage Foundation, or whether they are slanderous and untruthful.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ALDRICH. There are several other verbal amendments to the paragraph which I should like to make. I will send the amendments to the desk.

Mr. CRAWFORD. What is the paragraph?

The PRESIDING OFFICER. Paragraph 129.

The SECRETARY. In line 20, after the word "steel," insert the words "bands, circular and other."

Mr. CULBERSON. What page?

The PRESIDING OFFICER. Page 37.

Mr. ALDRICH. Page 37, line 20.

The PRESIDING OFFICER. The question is on agreeing to the amendment which has been stated.

The amendment was agreed to.

The SECRETARY. In line 24, after the word "sheets," insert the word "strip" and a comma.

The amendment was agreed to.

The SECRETARY. In the same line, after the word "plates," strike out the word "and" and insert "of."

The amendment was agreed to.

Mr. ALDRICH. I ask that the paragraph as amended may be agreed to.

The paragraph as amended was agreed to.

The PRESIDING OFFICER. The Secretary will state the next paragraph passed over.

The SECRETARY. The next paragraph passed over is 134, page 40, where in line 7—

Mr. ALDRICH. There is an amendment in paragraph 130.

The PRESIDING OFFICER. Paragraph 130.

Mr. ALDRICH. I want to withdraw the committee amendment.

The PRESIDING OFFICER. Without objection, the committee amendment is disagreed to. The amendment will be stated.

The SECRETARY. On page 39, paragraph 130, withdraw the committee amendment, and then, in line 5, strike out "forty" and insert "thirty-five."

Mr. ALDRICH. That reduces the House rate from 40 to 35 per cent ad valorem.

Mr. BEVERIDGE. Paragraph 130?

Mr. ALDRICH. Paragraph 130.

The PRESIDING OFFICER. Is there objection to the amendment? In the absence of objection, the amendment is agreed to.

Mr. BEVERIDGE. According to the comparative statement here, the House has 40 per cent and the Senate 11 cents a pound.

Mr. ALDRICH. That is withdrawn. Eleven cents a pound would be very much higher than 40 per cent on some classes.

The PRESIDING OFFICER. The amendment has been agreed to.

The SECRETARY. The next paragraph passed over is 134, on page 40.

Mr. ALDRICH. Mr. President—

Mr. LODGE. Paragraph 133, line 19.

Mr. ALDRICH. In line 19, after the word "rods," I move to insert "all the foregoing."

The PRESIDING OFFICER. What is the amendment?

Mr. LODGE. "All the foregoing," in line 19, page 39, after the word "rods."

The SECRETARY. On page 39, line 19, after the word "rods" it is proposed to insert "all the foregoing."

The amendment was agreed to.

Mr. ALDRICH. In the next paragraph there are a number of verbal amendments, which I send to the desk.

Mr. CLAY. What is the paragraph?

Mr. ALDRICH. Paragraph 134.

The PRESIDING OFFICER. The Secretary will state the amendments.

The SECRETARY. On page 40, line 8, after the word "foregoing," strike out "valued at more than 4 cents per pound."

The amendment was agreed to.

Mr. CRAWFORD. As I have it here, on the first reading of the bill the amendment reported, for instance in line 7, was an increase of the rate of the House bill from 1½ to 1¾. Now, what are we doing with that?

Mr. BEVERIDGE. We have not yet reached that.

Mr. ALDRICH. That has not been agreed to. I am proposing several amendments which reduce the rates in some other paragraphs.

Mr. CRAWFORD. When are we to act upon this?

Mr. ALDRICH. Whenever we get through. I suggest that we may act upon it after we get through with the amendments which I have sent to the desk, which are verbal amendments.

Mr. BEVERIDGE. I understand we have not reached that yet.

The PRESIDING OFFICER. The next amendment will be stated.

The SECRETARY. In line 10, strike out "forty" and insert "thirty-five."

Mr. BEVERIDGE. That is a reduction?

Mr. ALDRICH. Yes.

The amendment was agreed to.

The SECRETARY. In line 13, strike out the words "steel strips."

The amendment was agreed to.

The SECRETARY. In line 14 strike out the words "strip steel, or."

Mr. LODGE. So that it will read—

The SECRETARY. "Corset clasps, corset steels, dress steels, and all flat wires, and steel in strips."

The amendment was agreed to.

Mr. ALDRICH. Disagree to the next committee amendment.

The SECRETARY. The committee recommend that the Senate disagree to the amendment in lines 14 and 15.

The amendment was rejected.

The SECRETARY. At the end of line 15 it is proposed to insert the words "made from wire, or tempered steel wire rods," so that it will read:

Twenty-five one-thousandths of 1 inch thick, or thinner.

Mr. ALDRICH. Oh, no; that goes out. That is disagreed to.

Mr. LODGE. That is disagreed to.

The PRESIDING OFFICER. It is restored.

Mr. ALDRICH. I beg pardon.

The SECRETARY. "Made from wire or tempered steel wire rods."

The amendment was agreed to.

The SECRETARY. In line 17, after the word "whether," insert "rolled or."

The amendment was agreed to.

Mr. OLIVER. I should like to ask the Senator from Rhode Island whether the words "not exceeding 10 inches in width" are to be left in line 15.

Mr. ALDRICH. I think those ought to go out. My impression is they ought to.

Mr. OLIVER. My impression is undoubtedly that they should go out, because they are provocative of a great deal of fraud.

Mr. ALDRICH. They are out in the present amendment.

Mr. LODGE. They are out.

Mr. ALDRICH. They are out in the present amendment.

Mr. OLIVER. They are out?

Mr. ALDRICH. They are out in what is being read.

The SECRETARY. In line 17, after the word "rolls," insert "or otherwise produced."

The amendment was agreed to.

Mr. ALDRICH. I suggest that this paragraph as proposed to be amended be read.

The PRESIDING OFFICER. The Secretary will read the paragraph as it will read if amended.

The Secretary read as follows:

134. Round iron or steel wire, not smaller than No. 13 wire gauge, 1 cent per pound; smaller than No. 13 and not smaller than No. 16 wire gauge, 1½ cents per pound; smaller than No. 16 wire gauge, 1½ cents per pound: *Provided*, That all the foregoing shall pay duty at not less than 35 per cent ad valorem; all wire composed of iron, steel, or other metal except gold or silver, covered with cotton, silk, or other material, corset clasps, corset steels, dress steels, and all flat wires, and steel in strips, twenty-five one-thousandths of 1 inch thick, or thinner, made from wire or tempered steel wire rods, whether in long or short lengths, in coils or otherwise, and whether rolled or drawn through dies or rolls, or otherwise produced, and all wire not specially provided for in this section, shall pay a duty of not less than 40 per cent ad valorem; on iron or steel wire coated by dipping, galvanizing or similar process with zinc, tin, or other metal, there shall be paid two-tenths of 1 cent per pound in addition to the rate imposed on the wire of which it is made: *Provided further*, That articles manufactured wholly or in chief value of any wire or wires provided for in this paragraph shall pay the maximum rate of duty imposed in this section upon any wire used in the manufacture of such articles and in addition thereto 1 cent

per pound: *And provided further*, That no article made or composed of wire shall pay a less rate of duty than 40 per cent ad valorem; telegraph, telephone, and other wires and cables composed of metal and rubber, or of metal, rubber, and other materials, 45 per cent ad valorem; barbed wire fence, 1½ cents per pound, but the same shall not be subject to any additional or other rate of duty hereinbefore provided.

Mr. ALDRICH. The one and seven-twentieths should be changed.

Mr. BURKETT. If I may offer an amendment, I move to amend it by making it three-fourths.

Mr. ALDRICH. The proviso should be modified so as to make it read "three-fourths of 1 cent per pound."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. BEVERIDGE. As I gather it, all these amendments taken together are substantial reductions. Is that correct?

Mr. ALDRICH. It is.

Mr. BEVERIDGE. I am very glad to hear that. We are making progress.

Mr. CRAWFORD. It seems to me this amendment ought to be printed, in order that we may have an opportunity to compare the paragraph with the amendment. It is a long amendment.

Mr. ALDRICH. They are mostly changes in phraseology. The only changes in rates are reductions.

Mr. CRAWFORD. There is an increase in line 7, page 40.

Mr. ALDRICH. That is the only increase in the whole paragraph, and there are eight or ten different reductions.

Mr. CRAWFORD. It occurred to me from hearing the proviso read that it added a cent a pound.

Mr. ALDRICH. No.

Mr. CRAWFORD. And put a maximum—

Mr. ALDRICH. The House bill had a rate of a cent and a quarter a pound.

Mr. CRAWFORD. I may be mistaken, but it seems to me—

Mr. ALDRICH. The Senator is mistaken.

Mr. CRAWFORD. It shows the reason for having the amendment printed.

Mr. ALDRICH. The Senator is mistaken. Where a cent a pound is provided in this amendment, it is a cent and a quarter in the House bill.

Mr. SMITH of Michigan. There is no addition to the present Dingley rate—

Mr. ALDRICH. Oh, no.

Mr. SMITH of Michigan (continuing). As to any of the articles embraced in paragraph 134?

Mr. ALDRICH. None whatever.

Mr. SMITH of Michigan. There are several reductions from the House bill.

Mr. BEVERIDGE. Taken altogether, they are substantial reductions.

Mr. CRAWFORD. Why was there an increase in the item in line 7?

Mr. SMITH of Michigan. That is no increase over the Dingley rate.

Mr. CRAWFORD. It is an increase over the House rate.

Mr. SMITH of Michigan. But not over the present law.

Mr. CRAWFORD. Why is it? As I recollect the figures—

Mr. ALDRICH. Because in the opinion of the committee the adjustment was not correct. This very fine wire would not stand the reduction made in the House. That was the opinion of the committee.

Mr. CRAWFORD. As I recollect it, and I went over the case, if the Senator will excuse me—and of course I was interested somewhat in fencing wire, barbed wire, wire used in the West—it occurred to me that the rates were pretty high upon that line.

Mr. ALDRICH. The Senator perhaps was not noticing that the amendment offered by the Senator from Nebraska reduced the duty on fence wire nearly one-half.

Mr. CRAWFORD. Very well.

Mr. BURKETT. The reduction was to three-fourths of a cent.

Mr. ALDRICH. It reduced it nearly one-half.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMITH of Michigan. After the word "strips," in line 14, are the words "twenty-five one-thousandths of 1 inch thick or thinner" retained.

The PRESIDING OFFICER. They are restored.

Mr. ALDRICH. They are restored.

Mr. SMITH of Michigan. And the words "not exceeding 10 inches in width" are stricken out.

Mr. ALDRICH. Yes.

The PRESIDING OFFICER. The next paragraph passed over will be stated.

The SECRETARY. Strike out paragraph 140 and insert the following:

140. Automobiles, bicycles, and motorcycles, and parts of any of the foregoing, including tires, axles, and ball bearings, 45 per cent ad valorem.

Mr. DOLLIVER. I notice tires for automobiles in this paragraph. I understand they are manufactured of rubber. It seems to me more appropriate that they should be included in the sundry schedule, under the head of "Manufactures of rubber not otherwise provided for."

Mr. ALDRICH. The Senator from Connecticut has an amendment, I think, to offer to this paragraph.

Mr. BRANDEGEE. I do not think the amendment I intended to offer touches the point raised by the Senator from Iowa.

Mr. ALDRICH. As long as the Senator has an amendment to propose, I think, perhaps, inasmuch as the colleague of the Senator from Connecticut is very much interested in it, that the paragraph had better be passed over.

Mr. BRANDEGEE. To that I have no objection.

The PRESIDING OFFICER. It will be passed over.

The SECRETARY. The next passed-over paragraph is on page 48, paragraph 151—

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. On page 47—

Mr. BRISTOW. Was 150 passed over?

The PRESIDING OFFICER. The Chair understands there is an amendment to it.

The SECRETARY. On page 47, line 25, strike out the word "one-half" and insert "three-fourths."

The PRESIDING OFFICER. That amendment has already been agreed to. The Secretary will state the next passed-over paragraph.

The SECRETARY. The next paragraph passed over is on page 48, paragraph 151, line 3, after the word "gas," to strike out the word "or."

Mr. BEVERIDGE. Where is that?

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The SECRETARY. In the same line, after the word "liquids," it is proposed to insert "or other material, whether full or empty."

Mr. BEVERIDGE. Nobody can understand where the Secretary is reading, not even the chairman of the committee.

The PRESIDING OFFICER. He is reading from page 48.

Mr. BEVERIDGE. But he said paragraph 151. Nobody knows where he is.

The PRESIDING OFFICER. Paragraph 150.

Mr. LODGE. He said 151.

Mr. BEVERIDGE. He did say paragraph 151.

Mr. ROOT. I ask unanimous consent to offer an amendment to paragraph 151, and to have it referred to the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

The SECRETARY. On page 48, line 3, after the word "gas," strike out "or."

The amendment was agreed to.

The SECRETARY. After the word "liquids," in the same line, insert "or other material, whether full or empty."

The amendment was agreed to.

Mr. DOLLIVER. Mr. President, I am absolutely unable to locate the paragraph.

The PRESIDING OFFICER. It is paragraph 150, the third line of page 48.

Mr. LODGE. Has that paragraph been agreed to?

The PRESIDING OFFICER. Without objection, the paragraph as amended is agreed to.

Mr. CRAWFORD. I was called out for just a moment, and I think this is one of the paragraphs I asked to have passed at its first reading. It was simply for the purpose of having some explanation given for the raise in the House rate on the last line of page 47, where the rate is raised from one-half to three-fourths. Perhaps that has been explained.

Mr. BEVERIDGE. What is the question of the Senator from South Dakota?

Mr. CRAWFORD. Has the amendment at the foot of page 47, increasing the rate fixed by the House from one-half to three-fourths cent, been acted on?

The PRESIDING OFFICER. The Chair understands it has been agreed to.

Mr. CRAWFORD. Without discussion at all?

The PRESIDING OFFICER. The question is on agreeing to the paragraph as amended.

The paragraph as amended was agreed to.

The SECRETARY. The next paragraph passed over is 151.

Mr. CLAPP. That will undoubtedly lead to considerable discussion, and I suggest to the chairman that it be passed over.

Mr. ALDRICH. I should like to go on with it now.

Mr. LODGE. Why not go on with it now?

Mr. ALDRICH. We might as well go on with it at one time as another, unless the Senator has objections.

Mr. CLAPP. I think that is the paragraph which requires the placing of the name of the maker on the article.

Mr. BAILEY. That is in the proviso on page 50.

Mr. CLAPP. Yes. It seems to me it is perfectly proper; in fact, I believe that a foreign-made article should be branded "foreign made," so that when we buy it, if anybody wants to buy a foreign article, which I do not, he will see what he is getting. But I do not believe we have any right, in a mere revenue measure, to require the placing of the name of the maker of an article upon it. It conduces in no manner to the collection of the revenue; it adds nothing to the certainty of the collection of the revenue. It may take away from people property which they have acquired in the name of an article, and if there is any disposition to take that up at this time and insist on that phase of it, I should feel inclined to oppose it.

Mr. ALDRICH. There has been a great difference between importers and manufacturers as to the character of this provision. I will say that so far as the manufacturers and importers are concerned, they have agreed to certain changes in regard to marking.

Mr. CLAPP. Has the Senator the changes to propose?

Mr. ALDRICH. I have.

Mr. CLAPP. That may obviate the difficulty I presented.

Mr. BURKETT. A good many of us have had communications on this subject, and if there is any amendment offered, I should like to have it stated.

Mr. ALDRICH. The amendments are in paragraph 151, page 50, after line 20. I will read it as it will be if amended:

Provided further, That all articles specified in this paragraph when imported shall have the name of the maker or purchaser, and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the shank or tang of at least one, or, if possible, on each and every blade thereof.

Mr. BEVERIDGE. Either the maker or the purchaser.

Mr. ALDRICH. Either the maker or the purchaser. That provision is satisfactory to the importers and to the manufacturers.

Mr. CLAPP. The objection to that, as it comes to me from one of our large dealers, is the difficulty of compliance with the provision. It does not say "as near as may be?"

Mr. ALDRICH. No; it does not say "as near as may be." It says "on the shank or tang of at least one, or, if possible, on each and every blade."

Mr. CLAPP. That is just the question, whether it is possible.

Mr. BEVERIDGE. Does not that leave it to his judgment to say whether it is possible?

Mr. CLAPP. That is to say, whether the name of the maker shall be put on or the name of the party for whom it is made.

Mr. BEVERIDGE. I suppose that is optional. The only question is as to whether or not it shall be on every blade. Who is to determine it?

Mr. ALDRICH. "When imported, shall have the name of the maker or purchaser."

Mr. CLAPP. But that does not leave it to the importer.

Mr. ALDRICH. It has to be imported that way.

Mr. BEVERIDGE. The language carries that.

Mr. ALDRICH. The language itself.

Mr. CLAPP. I submit the language does not carry that, and the government officials can say which of those two things shall be done.

Mr. PAYNTER. In addition to the reason which the Senator from Minnesota [Mr. CLAPP] has given as an objection to the provision there is another one, and to show it I desire to have read a part of a letter which has been received by me from one of my constituents. I desire to invite the attention of the Senate to it to see whether there is any merit in it or not. I have indicated the parts of the letter necessary to be read.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

We have just been reliably informed that there is a paragraph in the Senate substitute bill that requires the name of maker and name of country of origin to be conspicuously placed on the shank or tang of each and every blade of pocketknives and razors that are imported by jobbers in this country. We wish to enter our protest against this, and

believe that it will be a serious injury to the jobbing trade throughout the country.

No doubt you are aware that the various large hardware jobbers throughout the country are importing large quantities of the above goods under their special brand and name which they have gotten established at quite a large expense, and were the above substitute tariff bill passed it would reveal to competitors and to the trade in general the name of makers of these goods and put them in a position to purchase these articles without trouble or expense and have the very same patterns that have been created by enterprising importers who study the wants of their trade.

We have no objection whatever to the present ruling, namely, that the name of the country shall be stamped in a conspicuous place on each blade. This, we think, would be entirely sufficient to identify the goods as being a foreign make.

We certainly would appreciate your efforts to so modify this portion of the substitute tariff bill as to let it remain as it is.

Mr. LODGE. Mr. President, this question of marking opens up a question entirely different from any question of rates. It is the same principle that was involved in the question of the pure-food act—that the purchaser should know what he was buying. The practice has been to sell the foreign knife as an American knife. They bring them in, and comply with the present law, with the name of the country of origin etched, as it is called, upon the blade. A moment on the buffing wheel, and that disappears after it gets in, and it is then sold as an American knife, and often of an inferior quality to that which it pretends to be.

I can not see any sound argument why the purchaser should not know what he is buying. If it is a foreign knife made elsewhere, let him know it. If it is a knife made here, let him know it. That is merely honest dealing.

The question of revealing the name of the maker, that is spoken of in the letter, is disposed of by the amendment which allows them to use the name of the purchaser—that is, of the importer in this country—but the name of the country of origin ought to be die sunk on some portion of the knife.

Mr. CLAPP. Will the Senator pardon me?

Mr. LODGE. Certainly.

Mr. CLAPP. I do not think the Senator understood me; at least he did not if his remarks were in any manner intended as an answer. All the men I have heard from have unanimously agreed that it is perfectly proper to stamp the foreign origin of the knife so indelibly that it can not be removed; but they do object to putting the name of the maker on the knife.

Mr. LODGE. That is avoided by the modification of the amendment by the committee.

Mr. CLAPP. I fully agree with the Senator that when an article comes from a foreign country every American ought to be able to tell whether it is home or foreign made.

Mr. LODGE. I merely wanted to emphasize the proposition that under the present system the law is met by simply etching it, as it is called, on the blade, which can be removed in a moment. It is the fraudulent competition of that kind, injurious to the native manufacturer, that, I think, ought to be removed, and it is removed by this amendment. It is not a question of rates at all.

Mr. BAILEY. Mr. President, if we are going to introduce the principle of the pure-food act into this tariff legislation why not apply it to everything? Why not require all importations to be so stamped?

I take no stock in the idea that the Government is under any obligation to advise every purchaser as to the particular kind of an article he is buying. I think, of course, that every seller ought to be obliged to tell what he sells. That is common honesty; and no dealer ought to be permitted to perpetrate a fraud. But I am not able to discern a good reason why this restriction should be applied to this particular article, when, I understand, it is singular in that respect.

Mr. LODGE. If the Senator from Texas will allow me; I may be wrong, it is some time since the act was passed, but I think we have in the pure-food law very drastic provisions about the labeling of articles which have been imported from foreign countries.

Mr. BAILEY. But that proceeded upon the theory that the food contained deleterious or poisonous ingredients and called for a drastic governmental supervision. I am not able to see that the health or life of anybody is involved in the question as to whether a knife was made in one country or in another, whereas it might be a matter of supreme importance as to whether a man purchased flour containing a poisonous ingredient.

Mr. LODGE. A life might be conceivably involved in the use of a knife.

Mr. BAILEY. But it would not depend on where it was made.

Mr. LODGE. It would not depend on where it was made, I quite agree. It seems to me this is simply requiring what every

honest dealer ought to be ready to do. There is not any question that there is any amount of fraud in these things, that an inferior article is brought in from abroad and sold with a false mark as an American article. They not only injure them by underselling them, but they injure them by selling an inferior article in the name of the American article.

Mr. BAILEY. It might be safely left to the business acumen of an American merchant who understands that his prosperity depends upon the fair treatment of his customers.

Mr. LODGE. I am not thinking of the American merchant; I am thinking of the American consumer, about whom we hear so much.

Mr. BAILEY. It is delightful to hear that the consumer is now and then taken into consideration by Senators on the other side.

Mr. LODGE. I knew the Senator would be gratified to find that I was thinking of the consumer in at least this instance.

Mr. BAILEY. It seems to me that it is wholly unwise that we should undertake in tariff legislation to say it, and to say it in such a way as to follow the identity of a particular article.

To my mind the difference between protecting people against fraud that affects their health and even their life is altogether a different proposition from protecting them against the harmless commercial fraud, if any fraud could be harmless, of selling them one knife and giving them another. It might be that they would give them just as good, or it might be that they would give them just a little better. But whether they give them better or worse, it is only at last a question of dollars and cents. I hardly think it worth while for the Government to enter upon a supervision of private business concerns in matters like that.

Mr. LODGE. I think, Mr. President, that it is very common in other countries. I am sure that in England, which is a free-trade country, articles made in foreign countries are stamped, and in Germany, I know, you see a great deal of it there. I think it is not an uncommon provision, both for the protection of the manufacturer and of the purchaser.

Mr. SMITH of Michigan. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Michigan?

Mr. LODGE. Certainly.

Mr. SMITH of Michigan. It seems to me this provision is very wise and very opportune. At a time when there seems to be so much interest in foreign manufacture and the use of foreign goods it might enable the Department of Commerce to locate the customers for those foreign-made goods in America with greater ease, and I favor it for that reason. I should like very much if the committee would enlarge the scope and apply it to furniture and other things we ought to buy at home if we have as good here as in Europe.

Mr. BAILEY. In other words, the mark "Grand Rapids" would add something to the value of the furniture.

Mr. SMITH of Michigan. Exactly; for it is used in Texas and every civilized country.

Mr. BRANDEGEE. I should like to have the amendment read.

Mr. ALDRICH. The suggested amendment?

Mr. BRANDEGEE. The proposed amendment.

Mr. LODGE. The proposed modification is the committee amendment.

Mr. STONE. What was done with the amendment offered by the chairman of the committee?

Mr. ALDRICH. It has not been acted upon yet.

The PRESIDING OFFICER. The amendment has not yet been acted upon. The Senator from Connecticut desires to have the amendment read.

Mr. ALDRICH. It reads:

Provided further, That all articles—

Mr. TILLMAN. What line?

Mr. ALDRICH. Line 20, page 50—

Provided further, That all the articles specified in this paragraph when imported shall have the name of the maker or purchaser, and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the shank or tang of at least one or if possible each and every blade thereof.

Mr. McCUMBER. I wish to ask the Senator from Rhode Island the necessity of compelling the die stamp upon more than one blade.

Mr. ALDRICH. "Of at least one blade."

Mr. McCUMBER. But if you leave in the words "of at least one blade" and leave the rest out of the amendment, it compels somebody to determine when a blade is large enough to make a die stamp on it.

Mr. BEVERIDGE. That is the precise question I asked a moment ago. Who is to decide?

Mr. McCUMBER. If required to be placed upon one blade, why not say the largest blade? That would make it definite; or say "of one or more blades."

Mr. ALDRICH. The custom-house officers, of course, have to decide that question. They are the people who ascertain whether the law is being enforced correctly or not.

Mr. BEVERIDGE. That being true, it is perfectly clear that the words "if possible, more than one blade" do not hurt anything.

Mr. PAYNTER. I desire to ask the Senator from Rhode Island a question. Under the law as it now stands, is the name of the purchaser required to be placed upon the blade?

Mr. ALDRICH. It is not.

Mr. PAYNTER. So this will be an additional requirement?

Mr. ALDRICH. It will be.

Mr. PAYNTER. Under the law as now construed, I understand it is necessary to show that it is of foreign make.

Mr. ALDRICH. Yes.

Mr. PAYNTER. As well as the country of origin?

Mr. ALDRICH. The country of origin.

Mr. BEVERIDGE. Why not strike out the word "maker," since it is optional with the importer, according to the Senator from Rhode Island, whether the name of the purchaser or of the maker shall be stamped upon the blade. Of course the importer never would have the name of the maker stamped there, so why not strike that word out and remove all doubt?

Mr. ALDRICH. I think we had better leave the name of the maker there.

Mr. BEVERIDGE. The suggestion I have just made came from a member of the Senator's own committee.

Mr. ALDRICH. Well, I am sorry. I think we had better change the word "possible" to "practicable." I think that is better.

Mr. HEYBURN. Mr. President—

Mr. NELSON. Will the Senator yield to me a minute to make a suggestion to the Senator from Rhode Island?

Mr. HEYBURN. I yield for a moment.

Mr. NELSON. I suggest to the Senator from Rhode Island to require it only on one blade in the knife, and that the largest blade. I think that is sufficient.

Mr. FLINT. All the blades may be of the same size.

Mr. SMOOT. Mr. President—

Mr. HEYBURN. I desire simply, before further interruptions, to call attention to a feature of this provision with which many Senators may not be conversant. It would be impracticable to require it on one blade of a knife, because the enumeration preceding this provision here includes blades, and knives are seldom made complete at any one place—that is, when made on a large scale. They are made in different places by different classes of artisans, and then they are assembled. They come here in packages of a certain size and certain class, and then they are assembled. They do not come from the same factory. They are not made by the same people. So it would be utterly impracticable to require a stamp only on one blade, and probably allow two or three other blades in each knife to come in without any guaranty such as this is intended to furnish.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Utah?

Mr. HEYBURN. In just a moment. I suggest to the Senator from Rhode Island that the proviso be re-formed so as to read as follows, which would seem to cover the objections:

Provided further, That all the articles specified in this paragraph shall have the name of the maker, firm, or trade name wherever possible, and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the shank or tang of each and every blade.

That would be satisfactory to the importer.

Mr. BEVERIDGE. It would not be satisfactory to anybody else.

Mr. ALDRICH. I will say that the importers' committee—they have a cutlery committee here—have agreed to the provision I have read.

Mr. HEYBURN. I do not know who that committee may be, but I am speaking from a careful observation of one of the largest, if not the largest, importers in this country. I will read from the letter that accompanies the statement, briefly:

I notice a provision in the cutlery schedule that requires that the name of the manufacturer, as well as the country of origin, shall be stamped on cutlery.

I presume you know that cutlery and other things are, to some extent, made abroad under the special brands of American merchants, the fact that such goods are made abroad being certified by the stamping of the name of the country of origin, where possible to stamp them, and where not possible, the name of the country where manufactured being placed on the labels.

To change the law so as to require the name of the manufacturer would shut off the importation of a large amount of cutlery that is now

brought in and pays the Government a large revenue—somewhere between 60 and 100 per cent on the cost abroad.

It looks to me as though the restrictions on the importation of cutlery are already great enough and the tariff high enough, and I think it is bad policy to either increase the duties or add other conditions that will tend to restrict the business further.

The name of the manufacturer of the cutlery made in Germany is a right difficult point to determine, as the conditions under which cutlery is made there make it almost a community enterprise. One family makes the blades, another makes the scales, another the springs, another does the fitting, another the polishing, and the wrapping is probably done at some central point by a party who might be called a "manufacturer," but who is in no sense properly such.

I can not see any point in making this change in the law except that I presume it has been suggested by the American manufacturers in order to entirely shut off this business.

I read that from a man who is at the head of one of the largest concerns in America.

Mr. PAYNTER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. HEYBURN. In just a moment, please. And it is from the same source that the suggested amendment comes. The following comment is made in regard to the language of the amendment proposed:

The word "fully" should be omitted, and the sentence left to read "but not finished," etc., etc.

Mr. ALDRICH. I have some further amendments to offer to another part of the paragraph.

Mr. HEYBURN (reading):

As it would then be open to the interpretation that cheap articles that are commercially known as "finished knives," would not be prohibited. It is reasonable to expect that a knife that costs \$2 per dozen, foreign value, will be better finished than the knife that costs 50 cents per dozen. If this clause is aimed at so-called "skeleton knives," sold to silversmiths and goldsmiths for the purpose of fitting with solid silver or solid gold handles, then the paragraph should be changed to read—

Mr. ALDRICH. The memorial or brief from which the Senator is reading is the brief of the very men who have agreed to the paragraph as it is now presented from the committee.

Mr. HEYBURN. I desire to correct the Senator. The letter which I read was not from the combination, but is a separate letter from the head of one of the very largest concerns in this business in the United States. He sent me this letter because it contains an amendment that was satisfactory to himself and those with whom he is associated. The Senator has the document that was sent, and I have this personal letter from the head of this great concern.

Mr. PAYNTER. I desire to ask the Senator from Idaho a question.

Mr. HEYBURN. Certainly.

Mr. PAYNTER. If I understood the amendment, the import of it is that on each blade the name of the maker shall be stamped and also the country of origin.

Mr. HEYBURN. The country or origin is to be stamped, not the name of the maker. I will give a little further information.

Mr. PAYNTER. I beg the Senator's pardon, because I knew the importers objected to being required to stamp the name of the maker, and the letter which you have just read, as I understand it, is an argument against doing that very thing.

Mr. ALDRICH. I think the language of the amendment submitted by the committee is right.

Mr. HEYBURN. I should like to have it read again, because I should like to follow it.

Mr. ALDRICH. It reads:

That all articles specified in this paragraph when imported shall have the name of the maker or purchaser, and beneath the same the name of the country of origin—

Mr. HEYBURN. "Maker or purchaser." That is optional with the importer.

Mr. ALDRICH. It is optional with the importer, unquestionably—

and beneath the same the name of the country of origin, die sunk conspicuously and indelibly on the shank or tang of at least one or, if practicable, on each and every blade thereof.

Mr. HEYBURN. I think that would be satisfactory.

Mr. ALDRICH. I think that is all right.

Mr. HEYBURN. I think that would be satisfactory. I merely wanted to present the views of those who have presented the matter to me. I think the amendment would cover it.

Mr. ALDRICH. I have two or three other suggested amendments. In line 3, on page 50, I move to strike out the word "assemble" and to insert the word "assembled."

The PRESIDING OFFICER. Without objection, the amendment to the amendment will be agreed to.

Mr. ALDRICH. I move to amend the amendment by striking out the word "fully," so that it will read—

Mr. CLAY. Before that amendment is agreed to, I wish to say that I have a letter from one of my constituents—

Mr. ALDRICH. I should be glad if the Senator would allow me to make these verbal changes.

Mr. CLAY. Very well.

Mr. ALDRICH. I move to strike out the word "fully," in the third line, after the word "not."

The PRESIDING OFFICER. Without objection, the amendment to the amendment will be agreed to.

Mr. ALDRICH. I now move to strike out the word "fully," in the fifth line, after the word "upon."

The PRESIDING OFFICER. Without objection, the amendment to the amendment will be agreed to.

Mr. ALDRICH. In line 6, after the word "Provided," I move to insert the word "further," so as to read: "Provided further," and so forth.

The PRESIDING OFFICER. Without objection, the amendment to the amendment will be agreed to.

Mr. BURKETT. Mr. President, I should like to ask the Senator from Rhode Island a question. I have observed the course of this discussion. I have over 150 of these letters. I want to say to the Senator that they are practically copies of the brief which has been read from. I want to ask the Senator if he seriously thinks that these letters were written in the interest of the manufacturers of knives in this country or in the interest of the man who is going to import them?

Mr. ALDRICH. Does the Senator from Nebraska refer to the suggested amendment?

Mr. BURKETT. Yes. What is the object of it? Is it in the interest of the home manufacturer or in the interest of the importer?

Mr. ALDRICH. This amendment as suggested has the approval of both the manufacturers and the importers. The original proposition was inserted at the suggestion of the manufacturers of the United States.

Mr. BURKETT. I will say to the Senator that the reason why I asked the question was because when I began to get these letters and to look into the matter, I could not persuade myself that it was altogether in the interest of the manufacturers. The reason I asked the question was to ascertain if the Senator had investigated the matter sufficiently to persuade himself that that was the real object of this amendment, for I am not yet persuaded that it is; and I ask the Senator if, in his judgment, it is so?

Mr. ALDRICH. It is absolutely in the interest of the manufacturers, because if this provision is passed there will be no knives sold in the United States that do not have the maker and the name of the country in which made stamped upon them.

Mr. BAILEY. Did I understand the Senator from Rhode Island to say that both the importers and the manufacturers have agreed to this provision?

Mr. ALDRICH. They have.

Mr. BAILEY. I want to ask the Senator if this is another case where the shepherd and the weaver have reached an agreement?

Mr. ALDRICH. I hope the Senator from Texas understands that, from my standpoint, it is important to get all the information we can from everybody who has information upon these subjects; and I have never hesitated to get information from a manufacturer, an importer, or anybody else whom I thought could furnish me information for use in an investigation.

Mr. BAILEY. But after an experienced member of the Committee on Ways and Means of the other House has detailed the way in which conflicting interests are reconciled in these tariff schedules, I must be pardoned for being a little suspicious about a schedule as to which both sides have agreed.

Mr. ALDRICH. This is another instance of the same kind, I think.

The PRESIDING OFFICER. The question is on agreeing to the amendment as amended.

Mr. SIMMONS. Mr. President, I desire to offer an amendment to the amendment.

Mr. BURKETT. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Nebraska?

Mr. BURKETT. Who has the floor, Mr. President?

The PRESIDING OFFICER. The Senator from North Carolina [Mr. SIMMONS].

Mr. BURKETT. Very well.

Mr. SIMMONS. Mr. President, on page 50, line 13, in the paragraph that we have under consideration, I propose to strike out the words "6 cents each" and insert the words "50 cents

per dozen;" in line 14, to strike out the word "forty" and insert "ten;" in line 15, to strike out the words "10 cents each" and insert "\$1 per dozen;" in line 16, to strike out the word "forty" and insert "ten;" and, in line 17, to strike out the words "12 cents each" and insert "\$1.25 per dozen."

Mr. SMITH of Michigan. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Michigan?

Mr. SIMMONS. I do.

Mr. SMITH of Michigan. Are these reductions intended to be for revenue?

Mr. SIMMONS. Well, I will not discuss the question of whether they are for revenue or for tariff. This is a proposition to reduce the duty in this bill upon razors.

Mr. SMITH of Michigan. Are the amendments intended to make it easier to buy knives abroad than at home?

Mr. SIMMONS. The proposition is to enable the consumers in this country to secure razors at a reasonable price.

Mr. SMITH of Michigan. For domestic or social purposes? [Laughter.]

Mr. SIMMONS. Down in my country they are sometimes used for social purposes by a certain part of the population, especially the colored population.

Mr. BAILEY. Principally among the Republican population, however. [Laughter.]

Mr. CLAY. If the Senator will permit me to call his attention to the fact—

Mr. SIMMONS. I have one other amendment. In line 17 I move to strike out "fifty" and insert "twenty."

Mr. CLAY. With the Senator's permission, I wish to say that the committee amendment is a remarkable increase, and—

Mr. SIMMONS. I was going to discuss that, if the Senator from Georgia will pardon me for just a moment.

Mr. CLAY. It is an increase of nearly 100 per cent.

Mr. SIMMONS. Exactly. Mr. President, upon razors valued at less than \$1.50 a dozen the duty under the present law is 50 cents a dozen and 15 per cent ad valorem. I should say, first, as to razors of that character, that the average import value of razors valued at less than \$1.50 per dozen is \$1.21 per dozen. Under the House bill it is 50 cents per dozen and 30 per cent ad valorem. Under this bill the duty is 6 cents each, which is equal to 72 cents a dozen and 30 per cent ad valorem. The present equivalent ad valorem duty upon razors of the value of \$1.21 a dozen is 56.43 per cent. The duty proposed by the committee is 99.65 per cent, lacking only 0.35 per cent of being 100 per cent upon the value of the razors of this grade. This schedule is an increase of about 100 per cent.

Mr. President, on the next item of this paragraph—razors valued at a dollar and a half and less than \$3 a dozen—under the present law the duty is \$1 a dozen and 15 per cent ad valorem. Under this bill it is proposed to impose upon them a duty of 10 cents each and 40 per cent ad valorem, or \$1.20 per dozen, plus 40 per cent ad valorem, thus raising the present duty from 54.85 per cent to 87.82 per cent.

Upon the next grade of razors the increase is even greater. Razors valued at \$3 per dozen under the present law have a duty imposed on them of \$1.75 per dozen, plus 20 per cent ad valorem. Under the House bill the duty was \$1.75 per dozen plus 30 per cent ad valorem. Under the proposed bill it is 12 cents each and 50 per cent ad valorem, or \$1.44 per dozen, plus 50 per cent ad valorem, making an increase in equivalent ad valorem over the present law of about 65 per cent.

Mr. President, I do not know what may be the reasons of the committee for this enormous increase in the duties upon razors. Why the committee thinks it is proper and necessary to increase the duty on common razors, the cheapest of razors, the kind so largely used by my colored constituents—and it is said with some degree of truth that every darkey in the South carries somewhere about his person a razor—why the committee should see fit to increase the duty upon the common razor from 56 per cent, the rate fixed in the present law, to 99.65 per cent is more than I can understand.

I have not investigated it, and the committee may have some good reason for that enormous increase; but I think, Mr. President, when, in a bill that the people have been led to believe would reduce duties, it is proposed to raise the duty from 56 per cent to 99.65 per cent, that the committee ought, at least, to give the Senate some explanation of the reasons leading them to make that enormous increase.

Mr. SMOOT. The question of the price of razors, Mr. President, was thoroughly considered by the committee.

Mr. SIMMONS. I have no doubt about that; but I want to know the reasons why the committee has made this enormous increase, nearly doubling the duty upon the common razor.

Mr. SMOOT. If the Senator will give me the time, I will tell him. In years past the razors manufactured in this country amounted to nearly 90 per cent of all the razors used, but to-day we find that there are only about 5 factories engaged in this industry, whereas some twelve years ago we had 67. Last year there were imported into this country—

Mr. SIMMONS. Will the Senator from Utah let me ask him a question right there?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. Certainly.

Mr. SIMMONS. I should like to have the Senator, if he has the data before him, give the Senate the benefit of a statement as to what is the difference between the cost of making a razor of the lower grade here and abroad.

Mr. SMOOT. Mr. President, I can give the Senator the wage scale, if that is what he wants, and that is all I can give.

Mr. SIMMONS. The chairman of the Finance Committee stated to the Senate a few days ago that this bill was being framed upon the definition given by the Republican platform as to the amount of protection that the industries were entitled to—to wit, the difference between the cost of production here and abroad—and that if it could be shown that any item of this bill carried a duty greater than that difference, then the committee would be glad to take that into consideration in connection with any suggested amendment. I want to know—and the Senate is entitled to know, I think—what is the difference between the labor cost of making a dozen razors of this grade here and abroad. This bill puts a duty upon them of practically 100 per cent. Is that the difference in the cost of production of this class of razors here and abroad?

Mr. SMOOT. Mr. President, there is no question in the world that there is that difference. If the Senator will turn to this book, he will find also that the duty on penknives is almost as great as the duty on the lower-grade razors. The average rate in this bill on razors, taking the high-priced razors into consideration, is 66½ per cent, and the average rate under the Wilson law was 89 per cent. Under that law Americans manufactured the razors used in this country, but since the Dingley bill became a law, the manufacture of razors in this country has diminished to almost nothing; or, in other words—

Mr. SIMMONS. Will the Senator allow me one question? He says the duty under the Wilson bill was how much?

Mr. SMOOT. Eighty-nine per cent.

Mr. SIMMONS. If that was not sufficient, will the Senator please tell me why the Republican party, when, in 1897, at the end of the life of the Wilson law, they revised the tariff, reduced the duty to 56 per cent?

Mr. SMOOT. Mr. President, that is just what was done, and that is just what has almost driven the razor manufacturers out of America.

Mr. CARTER. Mr. President, I have felt, on general principles, that this was one schedule that ought to be very materially reduced. The statement of the Senator from Utah [Mr. Smoot] challenges attention. The suggestion is that the present law offers such little protection, or none at all, that the American manufacturers of razors have been driven out of that business. Mr. President, I observe here that the total importation of razors, as shown by the tabulated statement with reference to Schedule C, amounts to less than \$500,000 per year; that the total production in the United States amounts to \$18,614,929; and that our exports exceed \$600,000 per year, or about \$100,000 a year in excess of the imports.

Mr. SMOOT. Mr. President, I want to explain to the Senator that all those razors exported are patented articles, such as safety razors and specialties that are made in this country under patent.

Mr. ALDRICH. They include all kinds of cutlery as well as razors.

Mr. SMOOT. Yes; they include all kinds of cutlery as well as razors.

Mr. ALDRICH. There are always large exportations of table cutlery.

Mr. CARTER. That portion of the table which relates to the importation of razors shows a combination of items aggregating less than \$500,000 per year.

Mr. ALDRICH. But about 3,000,000 razors. The quantity of razors used in the United States, owing to the greater use of safety razors, is rapidly diminishing; so that practically all the other razors used in the United States are now being imported.

Mr. FLINT. The Senator does not understand, in addition, that the razors that are imported for about \$3 a dozen are sold to the consumers for from about \$2 to \$3 a piece.

Mr. CARTER. Mr. President, this estimate is not based upon the cost to the consumer, but upon the valuation in the custom-house, as I understand. I recall very distinctly a gentleman interested in the cutlery schedule appearing before the committee many years ago when this item was under consideration who made a great impression on me, because he was so deeply affected in talking about razors and jackknives, that he actually shed tears—a very emotional man and easily stirred. I later learned—perchance the information was incorrect, but it may have been correct—that such was the line of duties fixed on this cutlery schedule that the foreigner had been driven out of the market and the whole monopoly given to a few people engaged in the cutlery manufacture in this country.

Mr. SIMMONS. Mr. President—

Mr. CARTER. Now, while on this matter, I wish to call the attention of the Senator from Utah to another proposition, which I should like to ask him to consider in connection with his remarks, if the Senator from North Carolina will indulge me for a moment.

Mr. SIMMONS. I only want to call the attention of the Senator—it may have escaped his attention—to the fact that in 1907 there were imported into this country of razors valued above \$3 per dozen only 20,000 dozen, and the total value of them was only \$95,981, showing that there are practically no importations of razors.

Mr. CARTER. Mr. President, the proviso to which I direct the attention of the Senator from Utah, beginning in line 20, on page 50, of the bill, reads:

Provided further, That all the articles specified in this paragraph shall have the name of the maker and beneath the same the name of the country of origin die-sunk conspicuously and indelibly on the shank or tang of each and every blade.

Mr. President, to put that proviso into operation at once would obviously shut out all importations, as far as existing stock is concerned. There may be some cases where the foreign manufacturer has his name as the maker stamped and other cases where the name of the country is stamped upon the blade; but this requires the combination of the name of the maker and the country of origin, and specifies the manner in which the impression shall be made. I suggest to the Senator that it would inevitably follow that this proviso, put into operation at once, would be an absolute prohibition upon the importation of any article of cutlery until new articles could be manufactured to correspond with the requirements of this proviso; and I shall, at the proper time, offer—and I invite the Senator's attention to the subject now—an amendment to that proviso, which will read that "after January 1, 1910," certain things shall be done as to articles manufactured abroad; otherwise I can only reach the conclusion that between the time of the passage of this bill and January 1, 1910, no article of this sort is expected to be imported.

Mr. ALDRICH. I think that is a very good suggestion. I myself think there should be some time allowed. I certainly agree with the Senator upon that proposition.

Mr. CARTER. I am glad the chairman of the committee accepts that view.

EXECUTIVE SESSION.

Mr. ALDRICH. The Senator from Illinois [Mr. CULLOM] tells me it is desirable to have an executive session. I therefore move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After fifteen minutes spent in executive session the doors were reopened, and (at 4 o'clock and 45 minutes p. m.) the Senate adjourned until Monday, May 17, 1909, at 10 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate May 15, 1909.

PROMOTIONS IN THE REVENUE-CUTTER SERVICE.

Cadet Louis Leon Bennett, of Maryland, to be a third lieutenant in the Revenue-Cutter Service of the United States. To fill an original vacancy.

Cadet William Pitts Wishaar, of Washington, to be a third lieutenant in the Revenue-Cutter Service of the United States. To fill an original vacancy.

Cadet Gordon Thomas Finlay, of Michigan, to be a third lieutenant in the Revenue-Cutter Service of the United States. To fill an original vacancy.

Cadet William Williams, of New York, to be a third lieutenant in the Revenue-Cutter Service of the United States. To fill an original vacancy.

Cadet John H. Cornell, of Massachusetts, to be a third lieutenant in the Revenue-Cutter Service of the United States. To fill an original vacancy.

Cadet Paul Henry Harrison, of Maryland, to be a third lieutenant in the Revenue-Cutter Service of the United States. To fill an original vacancy.

Cadet John Patrick Gray, of Pennsylvania, to be a third lieutenant in the Revenue-Cutter Service of the United States. To fill an original vacancy.

PROMOTION IN THE NAVY.

Lieut. Commander Hutch I. Cone to be engineer in chief and chief of the Bureau of Steam Engineering, in the Department of the Navy, with the rank of rear-admiral.

POSTMASTERS.

ARIZONA.

George D. Burtis to be postmaster at Roosevelt, Ariz. Office became presidential January 1, 1909.

CONNECTICUT.

Frederick W. Wersebe to be postmaster at Washington, Conn. Office became presidential July 1, 1908.

FLORIDA.

Henry W. Driggers to be postmaster at Punta Gorda, Fla., in place of Joshua Mizell, removed.

GEORGIA.

John W. Berryhill to be postmaster at Milltown, Ga. Office became presidential April 1, 1909.

T. K. Dunham to be postmaster at Darien, Ga., in place of Charles R. Jackson, removed. H. B. Lemcke declined appointment.

Hugh B. Sasser to be postmaster at Senoia, Ga., in place of Alice C. Fall. Incumbent's commission expired January 20, 1906.

ILLINOIS.

Alice M. Clement to be postmaster at Lamoille, Ill., in place of Alice M. Clement. Incumbent's commission expired March 3, 1909.

IOWA.

William Carden to be postmaster at Winfield, Iowa, in place of William S. Browning, resigned.

William Robert Law to be postmaster at Waterloo, Iowa, in place of William M. Sindlinger, deceased.

Thomas H. Thompson to be postmaster at Kanawha, Iowa, in place of Bert C. Ellsworth. Incumbent's commission expired January 9, 1909.

NEBRASKA.

George Williams to be postmaster at Cambridge, Nebr., in place of George Williams. Incumbent's commission expired January 20, 1909.

NEW YORK.

Rufus R. Clement to be postmaster at Atlanta, N. Y. Office became presidential April 1, 1909.

Hattie A. Walker to be postmaster at Bergen, N. Y., in place of Hattie A. Walker. Incumbent's commission expired January 9, 1909.

NORTH DAKOTA.

Ezra M. Crary to be postmaster at Edmore, N. Dak., in place of Henry R. Aslakson. Incumbent's commission expired November 23, 1907.

Walter E. Krick to be postmaster at Berthold, N. Dak., in place of Frederick C. Walther, resigned.

OHIO.

Mathias Tolson to be postmaster at Salineville, Ohio, in place of Reuben M. Hull, deceased.

OKLAHOMA.

Elmer D. Immell to be postmaster at Helena, Okla. Office became presidential January 1, 1909.

PENNSYLVANIA.

Jesse Ehrhart to be postmaster at Dallastown, Pa. Office became presidential October 1, 1908.

Frederick D. Freudenberger to be postmaster at Tamaqua, Pa., in place of Charles S. Shindel. Incumbent's commission expired January 10, 1909.

Howell P. Williams to be postmaster at McDonald, Pa., in place of Howell P. Williams. Incumbent's commission expired January 6, 1909.

WASHINGTON.

William H. Imus to be postmaster at Kalama, Wash., in place of William H. Imus. Incumbent's commission expired February 27, 1909.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 15, 1909.

SECOND SECRETARY OF EMBASSY.

A. Campbell Turner to be second secretary of the embassy at Constantinople, Turkey.

THIRD SECRETARY OF EMBASSY.

Charles B. Curtis to be third secretary of the embassy at Constantinople, Turkey.

SECRETARY OF LEGATION.

Gustavus L. Monroe, jr., to be secretary of the legation at San José, Costa Rica.

PROMOTIONS IN THE MARINE CORPS.

Second Lieut. William F. Bevan to be a first lieutenant in the Marine Corps.

Second Lieut. John Potts to be a first lieutenant in the Marine Corps.

REAPPOINTMENT IN THE ARMY.

JUDGE-ADVOCATE-GENERAL'S DEPARTMENT.

Brig. Gen. George B. Davis, Judge-Advocate-General, to be Judge-Advocate-General with the rank of brigadier-general.

POSTMASTERS.

ILLINOIS.

John F. Ahrens, at Gillespie, Ill.
George W. Gaultney, at Patoka, Ill.
Edwin A. Mead, at Hebron, Ill.
Noble S. Scager, at Iuka, Ill.
William L. Tohill, at Flat Rock, Ill.

IOWA.

Delbert W. Duncan, at Sioux Center, Iowa.
Andrew F. Newquist, at Stanton, Iowa.

MISSOURI.

Thomas J. Akins, at St. Louis, Mo.

WISCONSIN.

Alvin P. Colby, at Union Grove, Wis.

SENATE.

MONDAY, May 17, 1909.

The Senate met at 10 o'clock a. m.

Prayer by Rev. Ulysses G. B. Pierce, of the city of Washington.

The Journal of the proceedings of Saturday last was read and approved.

FINDINGS OF THE COURT OF CLAIMS.

The VICE-PRESIDENT laid before the Senate a communication from the assistant clerk of the Court of Claims, transmitting a certified copy of the findings of fact filed by the court in the cause of Mary S. Lloyd, administratrix of James Lloyd, deceased, *v.* United States (S. Doc. No. 49), which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented a resolution of the house of representatives of the Territory of Hawaii, which was referred to the Committee on Pacific Islands and Porto Rico and ordered to be printed in the RECORD, as follows:

House resolution.

Be it resolved by the house of representatives of the Territory of Hawaii, That the Congress of the United States be importuned and urged to so amend an act of the Congress of the United States, entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900; that the same shall and may more efficiently and effectively comply with the desires and satisfy the present needs and requirements of said Territory and its inhabitants, and more nearly conform to existing conditions therein, and aid the development thereof along traditional American lines, and to that end that the Congress of the United States be earnestly urged to enact a bill amendatory thereof, substantially in the following words and figures:

"A bill to amend an act entitled 'An act to provide a government for the Territory of Hawaii,' approved April 30, 1900.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled:

"SECTION 1. That section 5 of an act entitled 'An act to provide a government for the Territory of Hawaii,' approved April 30, 1900, is hereby amended so that the proviso thereof shall read as follows:

"Provided, That sections 1841 to 1891, inclusive, 1910, and 1912 of the Revised Statutes, and the acts of June 8, 1878; December 23, 1880; July 30, 1886; March 3, 1887; March 2, 1897; March 4, 1898; and June 6, 1900, all relating to the Territories, shall not apply to Hawaii."

"SEC. 2. That section 26 of said act is hereby amended to read as follows:

"SEC. 26. That the members of the legislature shall receive for their services, in addition to mileage at the rate of 10 cents a mile each way, the sum of \$600 for each regular session, payable in three equal installments on and after the first, thirtieth, and fiftieth days of the session, and the sum of \$200 for each special session: Provided, That

they shall receive no compensation for any extra session held under the provisions of section 54 of this act."

"SEC. 3. That section 52 of said act is hereby amended to read as follows:

"SEC. 52. That appropriations, except as otherwise herein provided, shall be made by the legislature."

"SEC. 4. That section 55 of said act is hereby amended so that the latter part thereof, limiting the amount of indebtedness that may be incurred by the Territory or any political or municipal subdivision thereof, shall read as follows: 'But the total of such indebtedness incurred in any one year by the Territory or any such subdivision shall not exceed 1 per cent of the value of the property in the Territory or subdivision, respectively, as shown by the then last general assessment for taxation, whether such assessment is made by the Territory or the subdivision, and the total indebtedness of the Territory, and of any such subdivision, shall not at any time be extended beyond 7 per cent and 3 per cent, respectively, of such assessed values, but nothing in this act shall prevent the refunding of any indebtedness at any time, nor shall any such loan be made upon the credit of the public domain or any part thereof; nor shall any bond or other instrument of any such indebtedness be issued unless made payable in not more than thirty years from the date of the issue thereof; nor shall any such bond or indebtedness be issued or incurred until approved by the President of the United States.'

"SEC. 5. That section 73 of said act is hereby amended by adding thereto the following:

"In addition to the other methods of disposing of public lands, under the land laws of Hawaii, as amended by this act, the commissioner, with the approval of the governor and subject to the approval of the board as hereinafter provided, may sell such lands, after public notice as hereinafter provided, the purchaser of each lot, in the event of more applicants than one, to be determined by ballot or lot, at a fixed and stated price per lot, in lots of such area not exceeding 160 acres, as may be deemed requisite for the support of a family, and upon such terms of payment, residence, cultivation, and other terms as may be deemed appropriate for the promotion of bona fide homesteading on the lands in question, and may deliver possession under an agreement to be called a homestead agreement, compliance with the terms of which, and of the laws applicable thereto, shall entitle the purchaser to a patent. The commissioner may also, with such approval, give a preference right to purchase, at a price determined by three disinterested appraisers appointed by him, any parcel of public land that has actually been resided on and improved, or so much thereof, together with such adjoining land as may reasonably be required for a home, to any person who alone, or in conjunction with his predecessors in interest, has for not less than five years immediately preceding the date of sale so actually resided on and improved the same.

"No person shall be entitled to receive any certificate of occupation, right of purchase lease, cash freehold agreement, or homestead agreement who or whose husband or wife shall then be the owner of an amount of land which, with the land in question, will exceed 160 acres, or shall hereafter have taken or held any land under any such certificate, lease, or agreement, or under any homestead lease or patent based thereon, or who is an alien, unless he has declared his intention to become a citizen of the United States as provided by law, nor shall any person hereafter become entitled to receive a homestead lease or a patent upon a sale of any kind unless he is a citizen of the United States nor shall any person who, having so declared his intention, hereafter take or hold under any such certificate, lease, or agreement continue so to hold unless he shall have become a citizen within five years after so taking. No land hereafter disposed of for homestead purposes nor any interest therein or control thereof shall thereafter, whether before or after patent issued, be in any way, directly or indirectly, transferred to or acquired or held by or for the benefit of any alien or aliens or any corporation or corporations, more than 20 per cent of whose stock is owned, held, or controlled by an alien or aliens, or any person or corporation who or which owns, holds, or controls, directly or indirectly, other land or the use thereof which, together with the land in question, exceeds 160 acres in area, provided that this prohibition shall not apply to acquisitions by inheritance or in good faith, in the ordinary course of justice, in the collection of debts, any land in respect of which this provision shall be violated shall forthwith be forfeited and resume the status of public land, and may be recovered by the Territory or its successors in an action of ejectment or other appropriate proceeding. No such certificate, lease, or agreement, or rights thereunder, nor the land covered thereby or any part thereof or interest therein shall, before the patent therefor becomes issuable, be, or be contracted to be, conveyed, assigned, mortgaged, leased, or otherwise transferred or disposed of without the written consent of the commissioner, and noncompliance with the terms of any such certificate, lease, or agreement, or other agreement of sale, or of the law applicable thereto, shall entitle the commissioner, with the approval of such board, with or without legal process, notice, demand, or previous entry, to retake possession and thereby determine the estate: Provided, That the times limited for compliance with any such terms may be extended by the commissioner, with such approval, upon its appearing that an effort has been made in good faith to comply therewith. All questions respecting such compliance shall be decided by the commissioner, subject to appeal to the circuit judge in whose jurisdiction the premises in question are situated, and such circuit judge shall have full and exclusive authority in chambers without the intervention of a jury for adjudicating such matters, and his decision shall be final. Any lot not taken, or taken and forfeited, in any tract opened for settlement, or any lot or part thereof surrendered with the consent of the commissioner, which is hereby authorized, shall be subject to sale or other disposition without further notice, in accordance with the law applicable to sales or other disposition of public lands, and any sale, drawing, or allotment may take place at the office of the commissioner or in the district in which the land is situated, for each of which districts the commissioner is hereby authorized to appoint one or more subagents, and the notice of any such sale, drawing, or allotment shall be by publication in one or more newspapers of general circulation, printed, published, and circulated in the Territory, for such period of time as may be determined by the commissioner as giving sufficient public notice of such sale, drawing, or allotment, but such period of time shall in no event be less than sixty days.

"All lands in the possession, use, and control of the Territory shall hereafter be managed by the commissioner, except such as shall be set aside for public purposes as hereinafter provided; all sales of such land shall be made by the commissioner or under his direction, for which purpose, if necessary, the land may be transferred to his department from any other department by direction of the governor, and